

Samuel Brittan
No 'third way' between capitalism & communism
Page 10



Ian Davidson
Europe's crisis: Is there a way out?
Page 10



Honda
Working in accord
Page 8

FINANCIAL TIMES

Europe's Business Newspaper

MONDAY NOVEMBER 9 1992

D8523A

Norway applies for European Community place

Norway's ruling Labour party voted to apply to join the European Community, although the electorate remains firmly opposed to membership, fearing that the country's fishing and farming industries will be threatened. Prime minister Gro Harlem Brundtland plans to negotiate membership alongside Sweden and Finland to obtain the best deal possible from Brussels. Page 12

Brundtland seeks confidence: The industrial property and financial services empire controlled by Toronto's Brundtland family is battling to shore up investor confidence following difficulties at financial services group Royal Trust and property developer Bramalea. Page 13

European Monetary System: The French franc has continued to strengthen inside the European exchange rate mechanism grid, despite a cut in the Bank of France's intervention rate last Monday as the feeling that France has won the battle to save the franc has pushed the currency up. Although the D-Mark remains third from the top of the grid, its divergence above its central Ecu rate has fallen. The currency has weakened in the wake of economic indicators showing that Germany is going into recession. Currencies, Page 23



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the EMS's narrow 2.25 per cent fluctuation band. In practice, currencies in the narrow band cannot rise more than 2.25 per cent from the weakest currency in that part of the system. The Spanish peseta and Portuguese escudo operate with 6 per cent fluctuation bands.

South Africa deaths: At least 14 people were killed in South Africa's black townships, police said. More than 3,000 people have died in the past 12 months in township killings, mostly between Inkatha followers and those of the African National Congress.

Yeltsin in talks with Major: Russian president Boris Yeltsin will meet UK prime minister John Major in London today to discuss Russia's economic reforms. Page 3; Editorial Comment, Page 10

Cambodia talks fail: International talks on a peace accord for Cambodia failed to achieve agreement on disarmament of the country's four factions before general elections next May. Page 4

Kenya election threat: Kenya's opposition parties may boycott the country's first multi-party elections in 26 years because they say the government is blocking their campaigns. Page 4

Airport link under threat: Plans for a £300m (\$465m) express rail link from London's Heathrow airport to the centre of the city are threatened by a dispute over how much privatised airport group BAA should pay for use of the track. Page 5

British troops under fire: British troops abandoned a United Nations route-finding mission in northern Bosnia after an exchange of fire. Page 2

Egypt pleads for monuments: Egyptian Culture Minister Farouk Hosni left for Paris to seek United Nations assistance in restoring monuments damaged by last month's earthquake. He put the cost at \$30m.

Yamaha cuts dividends: Yamaha, world's largest musical instruments manufacturer, reported a 43.7 per cent drop in half-year pre-tax profits to ¥3,870bn (\$31.7m) and its first dividend cut in 38 years. Page 15

Continental outcome: The result of the contest for Continental Airlines, US carrier operating under bankruptcy court protection, is expected today. Two groups are known to be involved: Air Canada, in conjunction with Texas investment partnership Air Partners, and Charles Hurwitz's Maxmax consortium. Page 13

Gorbachev to Berlin: Former Soviet president Mikhail Gorbachev left for Berlin, where he is to be made an honorary citizen, after Russian authorities lifted a ban on his travelling abroad.

Dubcek tributes from Clinton and Major: Tributes from US president-elect Bill Clinton and UK prime minister John Major were among many for Alexander Dubcek, who died, aged 70. Dubcek headed Czechoslovakia's 'Prague Spring' reform that was crushed by Soviet-bloc troops and tanks in August 1968. Obituary, Page 3

Motor racing: Gerhard Berger in a McLaren Honda won the Australian Grand Prix at Adelaide, final race in this year's Formula One world championship.

Clinton summons business leaders to Little Rock

By Nancy Dunne in Washington

TOP OFFICIALS of President-elect Bill Clinton's transition team yesterday announced a series of steps to tackle the US economic crisis even before the new administration takes power in late January.

Mr Warren Christopher, director of the transition team, said Mr Clinton would convene a summit of business leaders and economists in Little Rock, Arkansas, in the next few weeks to

advise him on ways to tackle the country's economic crisis.

The summit is "in the planning stages", according to Mr Christopher, but it will include an audit of "where we stand now".

The transition team is also looking at the establishment of an Economic Security Council to raise the priority of government economic decision-making.

Mr Vernon Jordan, chairman of the transition team, said Mr Clinton would appoint an assistant for economic security to co-ordinate the operations of the proposed Economic Security Council, but the president will head it.

The new position is modelled on that of the national security adviser. It is not clear, however, how the proposed council would work in practice with the existing Council of Economic Advisers.

Mr Jordan also confirmed that the first cabinet appointees are likely to be to economic posts. They will be announced on December 1 or perhaps a little earlier, according to Mr Jordan. It

is expected that the top 25-30 appointees will be announced next month.

Mr Clinton will travel to Washington to meet Congressional leaders before he takes office. Mr George Mitchell, the Democratic leader in the Senate, has offered to hold confirmation hearings after the new Congress convenes on January 5 so Mr Clinton's cabinet can be ready to start work by his inauguration on January 20.

The cabinet could include Republicans, and Mr Jordan did not rule out

the possibility that a Clinton administration would seek the services of Mr James Baker, President George Bush's former secretary of state, as a special envoy.

"We will be an equal opportunity employer," Mr Jordan said. "Diversity will be the operative policy in the arrangement of the government."

Both parties have expressed support

Continued on Page 12
Fresh focus, Page 25

Compromise urged over trade as EC tensions rise

By Will Dawkins in Paris and David Dodwell in London

BOTH US and European Community trade negotiators must make fresh compromises in their farm trade dispute if trade war is to be averted, Mr Frans Andriessen, EC external affairs commissioner, warned yesterday.

Mr Andriessen said on British television that neither the EC nor the US is entitled to let the Uruguay round fail. He said differences "while not insubstantial, can be bridged".

The call for further compromises from the EC's chief trade negotiator could fuel controversy at an EC foreign ministers' meeting today, where France will ask for a hit-list to be drawn up of US farm exports that could be triggered if the US goes ahead with threats to slap 200 per cent tariffs on European white wine and other imports.

French demands for retaliation were fended off at the weekend during an informal two-day meeting of EC trade ministers at Brackets Hall, north-west of London, with German and British ministers calling for a quick return to the negotiating table.

France claims it has support from Ireland, Spain and Belgium. UK officials in Brussels indicated that ministers would today stop short of a decision on retaliatory measures against the US, but Mr Roland Dumas, French foreign minister, will appeal for Community solidarity on the issue.

"We will certainly have to give away something more," Mr Andriessen said on Dutch television. "The US will also have to be a bit more obliging."

He warned that France must be careful not to become isolated within the EC in its fight to block settlement of a long-standing dispute with the US over Europe's oilseeds subsidy regime. He refused to say whether the EC should draw up a retaliation list against the US, saying only that today's meeting of EC foreign ministers would "discuss how to deal with the totality of the issue".

Negotiations to settle the dispute - which is at the heart of a wider US-EC row over Europe's farm subsidy regime - have for two years blocked progress towards a comprehensive world trade reform package that could stimulate an additional \$200bn a year in international trade.

Talks collapsed in Chicago on Tuesday as farm ministers from both countries sought a last-ditch settlement ahead of President Bush's election defeat. The US swiftly announced that it would impose 200 per cent tariffs on farm products worth \$300m if the dispute were not settled in 30 days.

Mr Dominique Strauss-Kahn, French industry and foreign trade minister, maintained that France was acting on behalf of all 12 EC governments in asking Brussels to prepare counter sanctions, which should start with soy. He added that France had "numerous allies" including Spain, Belgium and Ireland "who like us refuse to submit".

Mr Michael Heseltine, UK trade and industry secretary, talked yesterday of a wide range of dialogue going on behind the scenes at the weekend aimed at "cooling the temperature". He said Mr John Major, president of the EC, was "doubling every effort to get talks back on the road."

"We do realise the gravity of the situation. The clock is ticking. It is a very dangerous situation," he said.

MacSharry on trade talks, Page 4



Thousands of Germans gather at the Brandenburg Gate, Berlin, in a rally to protest against racism and show solidarity with foreigners

Asylum protesters pelt German leader

By Leslie Collett in Berlin

GERMAN President Richard von Weizsäcker was pelted with eggs and stones by leftwing radicals at a rally in Berlin called to protest at the wave of recent rightwing extremist attacks on asylum seekers.

Riot police held up their shields to protect Mr Weizsäcker, who had to delay his speech for nearly 10 minutes. When he did speak, he was repeatedly interrupted by cat-calls as projectiles thumped against the shields.

Mr Kohl said the militants had "tried to soil the image of people demonstrating peacefully against violence".

He said: "The mob wanted to damage the worldwide image of Berlin and Germany. They will not succeed."

The rally was organised to show solidarity with foreigners in Germany, but it left an impression of a country polarised over

the issue of asylum seekers and immigrants.

The disruption was provoked by several dozen young anarchists who manoeuvred themselves to the front of an otherwise peaceful crowd of nearly 300,000 demonstrators.

They unfurled banners accusing Mr Kohl and Mr Weizsäcker of hypocrisy in attending the rally. Acting on orders not to use undue force, the riot police tried

with little success to push them back. At one point, Mr Hans-Jochen Vogel, the former head of the Social Democratic (SPD) party, was thrown to the ground when he tried to urge moderation on the leftwingers. Police moved in with batons and encircled the demonstrators.

Ironically, the brunt of the abuse was borne by President Weizsäcker, who has been outspoken in his condemnation of

radical rightwing violence. Yesterday, he reminded the crowd that today was the anniversary of a "fateful German date", the burning of Jewish synagogues in Nazi Germany in 1938.

Mr Kohl, who has been criticised for not forcefully condemning the attacks on asylum seekers when they first took place, did not speak at the rally.

Bitter debate, Page 12

Hurd faces grilling over UK decision to delay treaty vote

By Lionel Barber in Brussels

MR DOUGLAS HURD, Britain's foreign secretary, today faces a grilling from his European Community partners anxious to establish when the British government intends to ratify the Maastricht treaty.

Mr John Major's decision to delay ratification of the treaty until after a second Danish referendum next May caused consternation in European capitals, undermining hopes of a speedy approval of the treaty.

Senior European officials remain unimpressed by suggestions by the UK government that it might proceed with a third reading of the Maastricht bill if Denmark postpones its referendum until later in the year.

Mr Hurd is likely to stress at today's meeting of EC foreign ministers in Brussels that Mr

Major's concession to Tory Eurosceptics was necessary to avoid losing last Wednesday's vote in the House of Commons and thereby risk scuppering the Maastricht treaty.

Mr Uffe Ellemann-Jensen, the Danish foreign minister, will present Denmark's requests for exemptions from the Maastricht treaty.

The Danish question is rapidly shaping up as a battle of political wills within the Community, as some member states urge flexibility while others adopt a legalistic approach, warning that Denmark's demands for a UK-style opt-out on a common European currency and an exemption on a common European defence force amount to renegotiation of the treaty.

UK ministers hope to secure a basic understanding on the Danish question at the EC summit in

Edinburgh next month. But EC officials point out that the Edinburgh agenda is becoming crowded, particularly if there is no progress soon on the so-called Delors II package providing new funding for the poorer EC member states.

In Brussels today, foreign ministers also face a heavy agenda. Mr Hurd will be urging his EC partners to support efforts to bridge the gap with the US on farm subsidies to reach a broader trade deal under the General Agreement on Tariffs and Trade. Efforts will be made to define subsidiarity - the devolution of powers to the lowest appropriate level - and ministers will try to break the deadlock on the Delors II package.

Bad blood in Brussels, Page 10
Norway party vote, Page 12
Rebellion surfaces again, Page 12

CONTENTS

International News	2-4	Letters	11	Monday Interview	28	Foreign Exchanges	23
UK News	5	Management	11	Crossword	28	Managed Funds	19-23
Building contracts	9	Observer	11	Competition		Money Markets	23
Law	12	People	12	UK/Int	14-16	Recent Issues	23
Weather	12	TV and Radio	9	Int. Copy Mkt	17	Share Information	24, 27
Arts	9	Markets		Markets		Week Ahead	8
Features		Risk and Reward	17	FT World Activities	25	World Stock Markets	24, 27
Leader Page	10						

Austria	Sch30	Greece	Dr250	Lux	LF80	Otar	OT12.00
Bahrain	Dh1.250	Hungary	Ft102	Malta	Lm0.50	S.Arabia	Sf11
Belgium	Bf40	Indonesia	Rp200	Morocco	Md0.13	Singapore	S\$4.16
Bulgaria	LV25	India	Ru100	Neth	Ft 3.50	Spain	Ptas50
Cyprus	Ct1.00	Indonesia	Rp200	Nigeria	Nn0.02	Sweden	Skr14
Czech	Kcs50	Israel	S\$4.50	Norway	Nkr15.00	Switz	Sf2.00
Denmark	Dkr14	Italy	L250	Oman	Ofl1.50	Syria	SyP20.00
Egypt	Eg2.50	Jordan	Jd1.50	Pakistan	Pks5	Thailand	Thb50
Finland	Fmk12	Korea	Won200	Philippines	Phps5	Turkey	Dm1.250
France	Ffr45	Kuwait	Kd1.00	Poland	Zl22.00	Turkey	L5000
Germany	Dm2.50	Lebanon	US\$1.25	Portugal	Es100	UNE	Dn10.00

ELONEXHILARATION



It's the feeling you get when you finally find a PC to satisfy your thirst for computing power without scorching your bank balance.

At first glance others may seem to be even better value, but it's just a mirage. Closer inspection reveals a compromise in quality.

Not so with Elonex British made PCs. From a 20MHz 486SX to a mighty 66MHz 486DX2, the Elonex PC upgradeable range is built to the highest standards and supported by an after sales service which is the envy of the industry.

Quench your thirst. Call Elonex now on 081 452 4444

LONDON Tel: 081 452 4444 Fax: 081 452 4444 BRADFORD Tel: 01924 32777 Fax: 01924 32777 PARIS Tel: 01 49 89 89 89 Fax: 01 49 89 89 89 BRUSSELS Tel: 02 535 53 53 Fax: 02 535 53 53

NEWS: INTERNATIONAL

Mitterrand to fight Barre plea for stronger German links back in Aids row

By William Dawkins in Paris

FRENCH President François Mitterrand will tonight try to take the initiative from the government's critics by staging a television interview on the recent scandal over the distribution of Aids-tainted blood to haemophiliacs.

This will be his first set-piece television appearance since a marathon three-hour debate two months ago, shortly before the Maastricht referendum, and his first since undergoing surgery for cancer of the prostate. It will therefore give valuable clues to the mental and physical fitness of the 76-year-old president, said by ministers to be on combative form.

Since he won a narrow victory in the referendum, Mr Mitterrand's popularity has improved. But his government is dogged by minor internal



Mitterrand: ratings improved

splits, continuing high unemployment and a sluggish economy and faces defeat in next March's legislative elections. Mr Mitterrand wants to use today's interview to hit back at criticisms of Socialist ministers

over the Aids scandal, relating to a period in 1985 when the national blood transfusion service allowed infected blood to be given to more than 1,900 haemophiliacs. He is understood to be outraged at what he sees as right-wing attempts to win political gains from the tragedy. The president is likely to face questions on other issues, such as the looming trade war with the US and the UK decision to delay ratifying the Maastricht treaty until after Danish ratification.

He is also likely to be quizzed on possible constitutional reforms, including more influence for France's parliament and shortening the president's renewable seven-year mandate. Since he announced such plans a year ago, the issue has been sidelined by the debate on European monetary and political union.

By David Marsh
European Editor

FRANCE and Germany are likely to establish monetary union with a small "core" of European countries if either Britain or Denmark fails to ratify the Maastricht treaty, according to Mr Raymond Barre, the former French prime minister.

Mr Barre, a stalwart of the centre-right UDF party in the French national assembly, coupled this prediction with a plea for further measures to strengthen Franco-German monetary co-operation.

He recommended that France should adopt a narrower fluctuation band within the European Monetary System to tie the franc still closer to the D-Mark. This compared with the present allowed margin for the franc against the D-Mark of 2 1/2 per cent either side of the central rate.

Such a move to "narrow bands" would strengthen the monetary solidarity by the

Bundesbank's support of the franc during the September currency upheavals, Mr Barre said in an interview in London.

Mr Barre, prime minister for two spells in 1976-1978 and 1978-1981, prides himself on providing part of the intellectual stimulus behind the "hard franc" policy followed by the present Socialist government.

from the Bundesbank to finance franc support intervention.

"FFr160bn [331.06bn] was spent by the Bank of France. But the funds have been paid back quickly," Mr Barre said. He declared that the Bundesbank gave support to the franc not simply for political reasons, but also because the Ger-

many central bank was convinced that fundamental economic factors made a franc devaluation undesirable.

Mr Barre, a strong supporter of the Maastricht treaty, campaigned for a Yes vote in the French referendum on September 20. "If the speculation [against the franc] had been successful, the future of the Maastricht treaty would have been more compromised than

Mr Barre prides himself on providing part of the intellectual stimulus behind the "hard franc" policy followed by the present government

Commenting on France's battle with the currency markets six weeks ago, Mr Barre said "international circles, men who can manage big flows of capital" wanted to "test the strength of the Franco-German [monetary] accord".

Mr Michel Sapin, French finance minister, announced last week that the Bank of France had succeeded in repaying all the funds borrowed

man central bank was convinced that fundamental economic factors made a franc devaluation undesirable.

Mr Barre urged the French government to make the Bank of France independent in stage two of the drive towards Ecu, due to start in 1994. He said

Community - a "hard core," Mr Barre said.

If "two or three countries" rejected the treaty, the "hard core" could consider speeding up progress towards economic and monetary union (Emu), he said.

Mr Barre urged the French government to make the Bank of France independent in stage two of the drive towards Ecu, due to start in 1994. He said

stage two should also bring about a gradual pooling of European central banks' currency reserves - a step currently opposed by the Bundesbank.

Mr Barre criticised President François Mitterrand's statement during the referendum campaign that the planned European central bank should be subordinate to European governments.

"He [Mr Mitterrand] has accepted [in the Maastricht treaty] the independence of the European central bank. If he thinks the central bank will be dependent on the political authorities, I think he's wrong. He will never get the result he wants."

Mr Barre also cautioned about Britain's September departure from the European exchange rate mechanism. Sterling's devaluation might produce "artificial benefits" by boosting growth in the short term - but the advantages would soon be swallowed up in higher inflation.

Colombian rebel violence kills 46

By Sarah Kendall in Bogotá

LEFTIST guerrillas killed 26 police officers and at least 20 died or were injured in urban bomb attacks in Colombia over the weekend, according to Colombian officials.

As the violence escalated, President César Gaviria, addressing the nation on Saturday night, called for a united front against the rebels and promised new security measures.

The guerrillas have been trying to force the government to regional peace talks and a formal share of power in areas where they already have virtual military control.

Guerrilla road blocks stopped transport in key regions and police posts in towns and cities were blown up; the army commander reported 87 military and 152 guerrillas killed in October, apart from the many civilians caught in cross-fire.

In Medellín, drug-related violence is also rising, with over

20 police shot dead since the drug cartel's military chief, Brance Muñoz, was killed in a police raid two weeks ago. Pablo Escobar, the cartel's overlord who escaped from prison in July, is still on the run.

President Gaviria warned that an all-out fight against the guerrillas needed "true solidarity". He referred to farmers who paid extortion fees and politicians who negotiated in private.

Some politicians are calling for further peace talks, but the president of the Bishops' Conference, Pedro Rubiano, said it was not possible to go on with a dialogue under the pressures of "bombs and bloodshed".

Some 700 ranchers have been kidnapped this year. The 26 policemen killed were guarding oil storage tanks, and the main export crude pipeline has been dynamited twice in the last two days.

The cost to the economy this year is estimated to be 0.7 per cent of gross domestic product.



Domonique Strauss-Kahn, French minister for industry and foreign trade, gestures in front of the Akatsuki Maru as 1.7 tons of plutonium is loaded. The freighter sailed from Cherbourg for Japan over the weekend.

Bad omens for UN Bosnian relief effort

Troops trying to protect supply routes are finding the going tough, writes David White

THE FOUR Nato countries providing full battalions in the latest deployment of United Nations forces for Bosnian relief must all think they have drawn the short straw.

The little skirmish which made a party of British army Land Rovers abandon a route-finding mission some way short of its destination in northern Bosnia on Saturday morning was a foretaste of hazards ahead.

It was thought to be the first time in Bosnia-Herzegovina's seven-month war that UN soldiers had been involved in an exchange of fire. Brig Andrew Cumming, senior UK commander, said yesterday it was "not entirely unexpected".

Armoured British, French, Canadian and Spanish infantry units all face difficulties - although of different kinds - along the supply routes they are detailed to protect this winter.

The UN force of about 6,000 is in addition to 14,000 UN troops already in Croatia and in Sarajevo.

The French and Canadians were allotted areas adjacent to ones where they already had peacekeeping battalions in Croatia. For the French, whose 1,360 troops have already moved in with more than 100 armoured vehicles, this means

a stranded Moslem pocket in Bosnia's north-west corner. The "UN protected area" surrounding the enclave on the Croatian side is Serb-controlled territory secured in last year's fighting. On the Bosnian side the main French base at Bihać faces out onto Serb front lines.

The Canadians, who will have about 1,100 troops in Bosnia, are destined for the Serb stronghold of Banja Luka. The omens are not good. When the UN chose Sarajevo as its first headquarters in former Yugo-

slavia (it has since moved it to Zagreb), it used Banja Luka as a forward transport base. The local Serb authorities now say the UN has bills outstanding and have obstructed the initial Canadian deployment.

But the trickiest tasks are probably those confronting the British and Spanish, working initially from the Croatian coast. Of all the planned convoy operations, British troops have to cope with the longest lines of communication. With a main base being set up at

Vitez, 40 miles northwest of Sarajevo, their main target is the northern town of Tuzla, where the pre-war population of 130,000 has been swollen by 50,000 refugees. Representatives of the UN High Commissioner for Refugees (UNHCR) class a further 50,000 there as destitute.

The first plan was to get there by a short route from Ljubica over the Serbian border, but that made no allowance for having to cross the lines of Serb forces who are unlikely to take kindly to foreign troops providing succour to their enemies.

Tuzla now lies in a northward-pointing salient of the remaining block of Moslem and Croat-controlled Bosnia, which is gradually melting like ice enclosed by a warm hand. The main road up to it from the south is in Serb hands. Cutting off the salient would be an obvious military target for the Serbs in their effort to widen and secure a corridor across northern Bosnia.

The Spanish have an equally daunting task protecting the principal road from the coast towards Sarajevo, with the aim of reaching Kiseljak, the small town just west of Sarajevo where the UN is setting up its Bosnia headquarters.

The main body of the 740-strong battalion was arriving

by sea yesterday, the largest Spanish force sent to a foreign land since the volunteer Blue Division went to fight for Hitler. Like the Canadians, they have had problems setting up. Croatian authorities would not let them go to the obvious location at Ploče, which is reputed to be the country's main entry port for clandestine arms shipments. They have had to join the British in Split instead, an extra drive of 75 miles.

More serious is that the road past Mostar comes within Serb artillery range. It is the best route north, essential for the volume of aid that will be needed. According to aid officials lorries could make Sarajevo and back in a day. Held up by Bosnian Croat militia checkpoints and by a treacherous two-hour detour near Sarajevo - the local Moslem commander is refusing to remove mines - it is now a two- to three-day turnaround.

Routes are having to be redrawn to take account of Serb advances. Convoys will be at risk not only from Serbs but also from Moslem gunmen.

The UNHCR in Split says 770 tonnes of supplies will be required daily for central Bosnia, western Herzegovina and Sarajevo. At present, with too few lorries and too many security problems, it is managing about half.

Fighting flared up in southern Bosnia-Herzegovina yesterday, dealing a further blow to UN efforts to bring aid overland to Sarajevo, Reuter reports from Sarajevo.

Officials working with the United Nations High Commissioner for Refugees (UNHCR) said some 10 trucks heading for the besieged Bosnian capital were forced to turn back by heavy fighting at Bana, near Mostar, south-east of Sarajevo.

It was the third setback to a UN aid effort in 24 hours. Members of the UN peacekeeping forces said there was still heavy shelling between rival Serb and Croat forces around Mostar and the 87km of strategically important road which links the city to the Croatian border.

Serb army officials, who have consistently accused Croat and Moslem forces of opening fire in the area, lodged an official written complaint with UN peacekeeping forces and threatened to use heavy artillery if the shooting continued.

In their complaint the Bosnian Serb army accused Croat forces of razing three villages and murdering women, children and old people there. The allegation could not be independently confirmed.

Fighting forces trucks back

FIGHTING flared up in southern Bosnia-Herzegovina yesterday, dealing a further blow to UN efforts to bring aid overland to Sarajevo, Reuter reports from Sarajevo.

Officials working with the United Nations High Commissioner for Refugees (UNHCR) said some 10 trucks heading for the besieged Bosnian capital were forced to turn back by heavy fighting at Bana, near Mostar, south-east of Sarajevo.

It was the third setback to a UN aid effort in 24 hours. Members of the UN peacekeeping forces said there was still heavy shelling between rival Serb and Croat forces around Mostar and the 87km of strategically important road which links the city to the Croatian border.

Serb army officials, who have consistently accused Croat and Moslem forces of opening fire in the area, lodged an official written complaint with UN peacekeeping forces and threatened to use heavy artillery if the shooting continued.

In their complaint the Bosnian Serb army accused Croat forces of razing three villages and murdering women, children and old people there. The allegation could not be independently confirmed.

NEWS IN BRIEF

Waigel sees limit for borrowing

MR Theo Waigel, German finance minister, said yesterday that government borrowing must not exceed DM45bn (\$28.37bn) in 1993, Reuter reports from Bonn.

Until recently, the government had been forecasting a 1993 budget deficit of DM38bn compared with a projected DM40bn this year.

"There must be no increase in net borrowing above DM45bn," Mr Waigel said in Berlin's Sonntagspost newspaper. "In just the same way as tax increases, this would have a negative effect on the economy."

"In the first round of saving efforts we have managed to save DM7.5bn. That is enough to pay for the German Unity fund, inherited debt from former East Germany and to cover eastern European trade," he added.

But Mr Waigel said: "Without further drastic saving - including in subsidies and in welfare policies - it won't be possible. Everyone has to carry their part of the burden."

Gorbachev allowed to travel

The Russian government yesterday ended a foreign travel ban on former Soviet President Mikhail Gorbachev, Reuter reports from Moscow. It had refused to let Mr Gorbachev, 61, visit Italy last month because of his refusal to testify at Constitutional Court hearings into the banned Communist party. Mr Gorbachev said before leaving for Berlin he hoped this was the end of the matter.

Russia-Morocco power deal

Russia has agreed to supply equipment and help to build a dam and hydroelectric power plant in Morocco, the official news agency MAP reported yesterday, Reuter reports from Rabat. Its contribution, the equivalent of \$124m, was outlined in an accord signed in Moscow on Saturday, the agency said.

Vranitzky guards graves

Austrian chancellor Franz Vranitzky mounted ceremonial watch at a desecrated Jewish cemetery yesterday to warn against anti-Semitism and increasing anti-foreign sentiment in Austria, Reuter reports from Vienna. Vandals last week sprayed swastikas and slogans on grave-stones at the cemetery in Eisenstadt, 90km south of Vienna.

Private-sector debt worries OECD

By Peter Norman,
Economics Editor

THE Organisation for Economic Co-operation and Development (OECD) has expressed concern about the build-up of private-sector debt in the US, UK and Japan over the past decade.

In its latest triennial review, *Financial Market Trends*, the Paris-based think tank of 24 industrialised countries said it could not be argued that private debt developments posed a menace to the stability of the global financial system.

"But in a number of major countries the volume of private indebtedness has affected the soundness of the banking system and is a factor that hampers economic recovery," it said.

The OECD singled out "the slump in real estate in the US,

the UK and Japan" and the low loan-loss provisions of Japanese banks as "points for concern".

The report said it was unclear whether deregulation of interest rates and credit would lead to a lasting increase in instability in the financial system, as some feared.

It cited one view that there was no such danger because deregulation had been followed by a one-off adjustment in portfolio preferences that had run its course.

At the same time, the prudential control of financial institutions continued to improve "which could mitigate a tendency towards greater volatility of credit", it said.

Financial Market Trends: 53, FF80 from OECD, 2 rue André Pascal, 75775 Paris Cedex 16 or from HMSO.

East European countries 'should join Efta before EC'

CEECs should look on the free trade association as a half-way house, a study says. Anthony Robinson reports



THE EUROPEAN MARKET

HUNGARY, Czechoslovakia and Poland, the three central European countries with bilateral European Community association agreements, went away from their London EC summit meeting last month without any agreed timetable for their full entry into the EC club. Next in line for entry remain the already prosperous and secure European Free Trade Association countries, whose entry will boost net contributions to EC coffers.

All three have pencilled in the turn of the century for full entry. But a new academic study argues that a combination of EC farming interests and the poorest current EC members will veto enlargement to

the east for at least two decades. It suggests that the Central and East European Countries (CEECs) should drop their EC fixation and opt for membership of Efta as a constructive interim half-way house.

Efta membership "would counter the economic and political marginalisation implicit in the bilateral trade deals" that Czechoslovakia, Hungary and Poland (the Visegrad 3 countries) have signed with the EC. It would also help enterprises in Efta countries "to develop business ties in a market with enormous growth potential", argues Mr Richard Baldwin professor of economics at the Institut Universitaire des Hautes Etudes Internationales, Geneva, in an occasional paper to be published by the London-based Centre for Economic Policy Research.

Both old and new members of an enlarged Efta would find their bar-

gaining position with the EC improved, including those Efta members like Finland and Austria which hope to join the EC within the next five to 10 years. But until now the CEECs, including Romania and Bulgaria which are currently negotiating Visegrad 3-style association agreements, have been "afflicted with tunnel vision" which makes them see EC membership as the only option worth considering.

"The inescapable reality", however, is that the 100m CEEC citizens (of whom 64m are in the Visegrad 3) are poorer and more agricultural than the 3.5m in Ireland. On average the CEECs are twice as dependent on agriculture as the EC and the high and potentially growing level of farm output "poses many problems for the Common Agricultural Policy". This makes an eastern EC enlargement simply too costly for

EC taxpayers and farmers until the CEECs get richer or present EC members more generous, he argues. Joining Efta, however, would hasten the CEECs' entry into the Community. It would help them to get richer faster and give them a track record in European integration just as Efta membership in the 1990's helped the UK overcome European doubts about its "European-ness".

While Efta membership would not provide automatic free access to the EC via the European Economic Area (EEA) "it is probably the shortest route to the EEA which should be the CEECs' next step towards EC membership", Mr Baldwin adds.

Joining Efta should be seen as a proven stepping stone to EC membership, given the fact that four of the seven applications already accepted by the EC have been from former Efta countries. However, the

Efta countries' intention to abandon Efta for the EC before the end of the decade, the CEECs will have to take the political initiative in seeking Efta membership.

The most effective approach would be an appeal to self-interest. Efta members, particularly Austria and Switzerland, already do a higher proportion of their trade with CEEC countries than most EC countries, while CEEC trade over the last three years has been expanding much faster than sales in other markets.

In 1991 the CEECs (Visegrad 3 plus Romania and Bulgaria) took 1.6 per cent of total EC exports but trade grew in double digits compared to the flat 0.1 per cent overall rise in EC exports last year. Although the volume of Efta-CEEC trade is only 25 per cent of EC trade with the area, the five countries took 2.7 per cent of Efta exports, nearly double

the EC average, while the volume of two trade with Efta rose 70 per cent between 1989-91. The CEECs were particularly important for Austria with 8 per cent of its total exports going to these markets.

On a final, historical note, Mr Baldwin compares actual trade volumes with League of Nations trade statistics of 1928 to show how CEECs trade with western Europe would have to expand by 500 per cent to reach the pre-war levels, before trade was distorted by war and the Soviet takeover of eastern Europe.

"It is not preposterous" to suggest that these pre-war patterns will re-establish themselves, he writes. It is a tantalising prospect, and provides a badly needed note of hope and optimism for a region which until now has been seen by the EC more as a big problem than a great opportunity.

The Financial Times (Europe) Ltd
Published by The Financial Times
(Europe) GmbH, Frankfurt Branch,
Nibelungenplatz 3, 6000
Frankfurt-am-Main 1, Telephone 49 69
156820; Fax 49 69 5964481; Telex
416193. Represented by E. Hugo,
Managing Director. Printed by DVM
GmbH-Harriert International, 6078
Neu-Isenburg 4. Responsible editor:
Richard Lambert, Financial Times
News Limited. Publishing director: J.
Rolley, 168 Rue de Rivoli, 75004 Paris
Cedex 01. Tel: (01) 4297 0621; Fax: (01)
4297 0629. Editor: Richard Lambert.
Printer: SA Nord Eclair, 15/21 Rue de
Cours, 91100 Roissy Cedex 1. ISSN:
ISSN 1142-7755. Commission Paritaire
No 67685D.

Registered office: Number One,
Southwark Bridge, London SE1 9UL.
Company incorporated under the laws
of England and Wales. Chairman:
D.E.P. Palmer. Main shareholders:
The Financial Times Limited, The Financial
Times News Limited. Publishing director: J.
Rolley, 168 Rue de Rivoli, 75004 Paris
Cedex 01. Tel: (01) 4297 0621; Fax: (01)
4297 0629. Editor: Richard Lambert.
Printer: SA Nord Eclair, 15/21 Rue de
Cours, 91100 Roissy Cedex 1. ISSN:
ISSN 1142-7755. Commission Paritaire
No 67685D.

Financial Times (Scandinavia)
Finland: Helsingfors, 42, DK-1161
Copenhagen-K, Denmark. Telephone
(33) 13 44 41. Fax (33) 93335.

Yeltsin's UK talks to focus on reforms

By John Lloyd in Moscow and Anthony Robinson in London

THE future of Russia's economic reforms and ways to prevent a slide into anarchy or civil war will be at the centre of talks President Boris Yeltsin will have with Mr John Major, UK prime minister, in London today.

Mr Yeltsin, who rallied democratic forces after the failed coup of August 1991, is under pressure to give stronger support to his reformist government, led by Mr Yegor Gaidar, which faces a strong challenge from former communists and extreme nationalists at next month's session of the Congress of People's Deputies.

In his entourage is Mr Alexander Shokhin, deputy prime minister in charge of foreign economic relations. In an interview before leaving Moscow, Mr Shokhin revealed that Russia's reformers were pressing Mr Yeltsin to resist, and threatening to resign if the conservatives were appeased.

Mr Yeltsin's first official visit to London, where he will lunch with the Queen, address parliament and make a speech at the Stock Exchange, gives him temporary respite from daunting domestic problems. These include ethnic conflicts on Russia's southern borders, demands for autonomy from some of the Russian Federation's most resource-rich regions, such as Tatarstan and Sakha (the former autonomous region of Yakutia), and counter-pressures from nationalists and military men. They want credits for military industry and greater protection for 25m ethnic Russians, who have become foreigners in the Baltic and other former Soviet states.

Mr Shokhin warned that earlier credits for loss-making state industries, and other measures proposed by the Civic Union, the most powerful anti-government force, "would cancel out the Gaidar cabinet's ideology. If these measures are approved by parliament or the

president, then in accordance with civilised norms, we would have to go."

He believed the Civic Union leaders had "overreached themselves" in demanding a list of resignations, including his own, and those of Mr Anatoly Chubais, deputy prime minister for privatisation, Mr Andrei Kozirev, foreign minister, and Mr Andrei Nekhayev, economics minister. Mr Yeltsin is said to have been angered by the demands. But it remains a subject of speculation in Moscow whether he will fight or accommodate the Civic Union challenge.

In London, Mr Yeltsin will receive encouragement to continue with economic and other reforms. Bilateral ties have improved, and should be enhanced by the first comprehensive treaty with Russia since 1766. But Mr Yeltsin will also be looking for more practical, financial help, and closer business ties.

With honourable exceptions, British business has steered clear of this difficult market, though UK multinationals such as John Brown, ICI, Rolls-Royce and several UK-based food companies have set up long-term links. Shell, BP and British Gas are among UK-based energy companies keen to help develop Russia's energy resources. For over 20 years the Soviet authorities sought help from companies such as RTZ to develop the huge but distant Udokan copper and polymetallic ore-body in Siberia and Mr Yeltsin's team is expected to revive interest in this and other potential projects.

Bilateral trade remains small, with UK exports to the former Soviet Union down to \$285m in the first eight months of this year against \$260m in 1990. Prospects for UK exporters have improved, with up to \$500m of ECGD export credit and investment insurance available. Favourable projects are those self-financed from hard-currency earnings.

ESA set to cancel manned space plans

By Daniel Green

THE European Space Agency (ESA) is set to announce virtual cancellation of its manned space programme, as part of a plan to cut spending 18 per cent over the next three years. Trade and science ministers attending ESA's ministerial council meeting in Granada, Spain, will be asked to approve a restructuring marking the end of ESA's five-year-old plan for self-sufficiency in manned space technology.

Mr Jean-Marie Luton, ESA's director-general, will instead propose a 110m accounting units outlay to assess the possibilities of a joint European/Russian shuttle and space station. An accounting unit (AU) used by ESA is similar in value to an Ecu but related to a wider European currency basket. ESA's total budget for 1993-1995 will be AU7.7bn under the Luton plan.

His proposals vindicate UK space policy. Five years ago, the UK refused to join the manned space programme, preferring to concentrate on Earth observation satellites. "Now these programmes are over-subscribed," Mr Jean-Jacques Dordain, ESA's strategy director, said.

Germany has been the driving force behind the cost-cutting effort. As well as the abandoning of the Hermes manned programme, the German space Agency DLR insisted on better cost controls. Internal costs account for 8 per cent of ESA's budget. Cancellation of Hermes and of much of the Columbus manned space laboratory is a blow to main contractors Aérospatiale and Dassault of France and MBB-Ernst of Germany.

Projects likely to be approved at the meeting: ● Polar Orbiting Earth Mission (Poem): two satellites for environmental monitoring and meteorology costing AU1.8bn and to be launched by the year 2000. Prime contractor: the Anglo-French joint venture Matra-Marconi. ● Polar platform: Part of Poem, costing AU700m; prime contractor: British Aerospace. ● Pressurised Module: the only remaining manned project, to be attached to the US space station Freedom. Cost: AU7.5bn; prime contractors: MBB-Ernst and Aeritalia. ● Data Relay Satellite: costing AU850m; allowing information from Poem satellites to be sent to Europe from the other side of Earth.

OBITUARY: Alexander Dubcek

A Hamlet forced to stay alive

ALEXANDER Dubcek, who died on Saturday aged 70, believed in the humane, pre-communist ethos of Czechoslovakia. But he was attached by an umbilical cord to the Communist party and unable to lead a revolt against the Soviet Union to its ultimate consequences.

The Prague Spring of 1968 was a misfired attempt to gain self-rule, not full independence from Moscow. Dubcek had perseverance and skill, but proved too weak when it came to the crunch, unable to refuse to sign under duress the document of surrender in the last days of August 1968. His fate was to be a Hamlet forced to watch the aftermath of his indecision. He rose to power from an impeccable family background, on the ladder of local and regional party appointments. A first-class diploma from Moscow's international party university helped.

Alexander Dubcek was born in 1921 in a Slovak village, the second son of Stefan Dubcek, a joiner who had emigrated to the US before the first world war. Stefan returned home after the war and, at about the time Alexander was born, joined the Communist party as one of its first members. He left again, this time for the Soviet Union, to join other skilled foreign workers helping to build communism. Alexander attended school in the Soviet Union. But in 1938, rather than accept Soviet citizenship, the family returned to Slovakia. Alexander found work as a locksmith in the Skoda works at Dubnica.

In 1955, he won a place at the Moscow international school for party high-fliers, spending three years there, years which saw the Soviet Army's suppression of the Hungarian uprising. Dubcek's further

ascent, to secretaryship of the Bratislava party organisation, came because of his apparent docility and non-dangerous ability. His decisive promotion, to first secretaryship of the Slovak Communist party and a sort of governorship of Slovakia, occurred in 1963. Under pressure of an economic slump and Khrushchev's revelations of Stalin's terror, the party looked for a man who unlike President Anton Novotny, had clean hands, liberal inclinations, and the trust of Moscow.

From 1963 to 1967, recognition that

His intelligence and humility singled him out from the communist rulers of the past

Czechoslovakia's economic crisis was structural, caused by Soviet exploitation and policies, led - along with further discharges of atrocities by Novotny and his secret service in the 1950s - to a gradual isolation of the ruling politburo and, at the end of 1967, to its split into two equally strong factions. One of those pressed for the removal of Novotny. A stormy party congress, convened in December 1967, elected Dubcek his successor.

Dubcek's intelligence and humility, his halting speech, his broad and ready smile, made him different from the stupid and cruel communist rulers of the past. He quickly became popular with communists and non-communists alike. Press censorship was lifted; travel abroad allowed, and the country seethed with plans for a sort of market-led socialism, reinstatement of human rights and, though never officially

admitted, a neutral Czechoslovakia. But noise exceeded action. The party district secretaries remained in control, blocking real economic reform. Soviet pressure increased: the Soviet generals saw a chance to move their army into Czechoslovakia to the West German frontier.

After some resistance, Dubcek agreed to Soviet "manoeuvres" in his country and, later, dismissed the only general ready to organise a defence of Czechoslovakia. Thus the ground was prepared for a walk-over by Soviet tanks, and for the kidnapping of Dubcek and other reformist political leaders to Moscow on August 21 1968. After some rough treatment in Moscow, Dubcek signed a paper legitimising the Soviet invasion and granting the Soviet Union an enormous tribute in the form of industrial plants and lorries. Dubcek returned to Prague in tears. He retained his function for a while, then being moved to Turkey as ambassador. Recalled soon after, he was given a job in Bratislava's parks, looking after machine equipment.

His failure to say a loud "no" when in Moscow in August 1968 overshadowed the memory of his Prague Spring role. In 1969, a new generation of dissidents who came to power consigned him to the lacklustre post of Federal Assembly chairman. He continued to play a minor role on the left wing of Slovak politics, unsuccessfully opposing the split of the federation. He enters the history of his country as a figure not always admired, but much loved.

A.H. Hermann

Dubcek (right): failed to say a loud 'No'



Try the visionary position.

MOVE YOUR COMPANY TO WHERE YOU'RE WITHIN ONE HOUR'S DRIVE OF 20 MILLION PEOPLE, WHERE YOU HAVE ONE OF THE MOST HIGHLY TRAINED WORKFORCES IN EUROPE ON YOUR DOORSTEP AND WHERE BUSINESSMEN WITH VISION FLOURISH. MOVE TO BRITAIN'S FASTEST GROWING CITY. YOU GET MORE IN MILTON KEYNES.

CONTACT MILTON KEYNES MARKETING: 0908 231900



BARCLAYS

BARCLAYS OVERSEAS
INVESTMENT COMPANY B.V.

U.S.\$600,000,000

Junior Guaranteed Undated Floating Rate
Notes

Notice is hereby given that the Rate of Interest for the Interest Period from 9th November 1992 to 10th May 1993 is 3.875 per cent. per annum and that on 10th May 1993 the amount of interest payable in respect of each U.S.\$1,000 principal amount of the Notes will be U.S.\$97.95 and in respect of each U.S.\$50,000 principal amount of the Notes will be U.S.\$979.50.

Barclays de Zotte Wadd Limited.
Agent Bank

NEWS: INTERNATIONAL

Cambodian talks break down

By Yvonne Preston in Beijing

INTERNATIONAL talks on a peace accord for Cambodia broke down yesterday with the apparent failure to achieve agreement on disarmament of the four factions before general elections next May.

"Time is running out on the implementation of the Paris accords," said Mr Ali Alatas, the Indonesian foreign minister, who co-chairs the Paris International Conference on Cambodia with Mr Roland Dumas, the French foreign minister. "I would be less than truthful if I did not say that we could not get full consensus on removing the obstacles to implementing the accord."

Mr Alatas said the foremost objective at "this rather serious stage of development" was to ensure the situation in Cambodia did not relapse into renewed fighting, he added.

Mr Dumas said if no agreement was reached, the substance of the Paris agreement was in jeopardy. Both co-chairmen made clear the main obstacle was still the refusal of the Khmer Rouge to disarm.

Other Cambodian factions, who have already laid down their weapons, are threatening to rearm unless the Maoist guerrillas step into line and



MAKING A POINT: French foreign minister Roland Dumas (left), flanked by Prince Norodom Ranariddh, addresses delegates at the UN-brokered peace talks in Beijing yesterday

allow UN peacekeepers into their zones. The Khmer Rouge signed the accord with the Vietnamese-installed government in October last year, ending almost 13 years of civil war but it has since violated the accord in almost every aspect.

The three other Cambodian factions on the governing

Supreme National Council (SNC) have co-operated with UN peacekeepers in the run-up to elections. They want the UN to abandon its disarmament plan, which they say would weaken them if the Khmer Rouge renewed its military offensive.

Cambodia's prime minister, Hun Sen, has called for the expulsion of the Khmer Rouge from the SNC, which comprises leaders of the four factions and works with the UN.

Khieu Samphan, a Khmer Rouge leader, joined yesterday's talks hosted by Cambodian Prince Norodom Ranariddh, chairman of the SNC. Also attending the meetings were the five permanent members of the UN Security Council, representatives from Indonesia, Japan, Thailand, Germany and Australia, which initiated the peace process adopted by the UN and the four Cambodian factions.

They were joined by Mr Gareth Evans, the Australian foreign minister, who said: "The situation in Cambodia is obviously still very fragile, but the fact that these talks are taking place in Beijing gives us all, I think, ground for optimism that a way can be found through the present difficulties."

Supreme National Council (SNC) have co-operated with UN peacekeepers in the run-up to elections. They want the UN to abandon its disarmament plan, which they say would weaken them if the Khmer Rouge renewed its military offensive.

Cambodia's prime minister, Hun Sen, has called for the expulsion of the Khmer Rouge from the SNC, which comprises leaders of the four factions and works with the UN.

Khieu Samphan, a Khmer Rouge leader, joined yesterday's talks hosted by Cambodian Prince Norodom Ranariddh, chairman of the SNC. Also attending the meetings were the five permanent members of the UN Security Council, representatives from Indonesia, Japan, Thailand, Germany and Australia, which initiated the peace process adopted by the UN and the four Cambodian factions.

They were joined by Mr Gareth Evans, the Australian foreign minister, who said: "The situation in Cambodia is obviously still very fragile, but the fact that these talks are taking place in Beijing gives us all, I think, ground for optimism that a way can be found through the present difficulties."

NEWS IN BRIEF
Israel to devalue

ISRAEL yesterday said it would devalue the shekel by more than 10 per cent over the next year and announced a package of tax cuts as part of the Labour government's efforts to encourage export growth and investment, writes Hugh Carnegie in Jerusalem.

An immediate 3 per cent rise in the shekel's target, or median, rate against a basket of currencies to 2,925 will be followed by a further 8 per cent rise over the next 12 months.

This continues a policy of a pre-announced gradual devaluation schedule intended to cut out speculative currency flows and give exporters stable exchange rates.

Rebels attack northern Israel

Guerrillas in south Lebanon fired Katyusha rockets into northern Israel yesterday, Israeli military sources said. Reuter reports from Ain el-Tineh, Lebanon.

The attack was in retaliation for an earlier Israeli sortie against a pro-Iranian guerrilla position in south Lebanon which killed four gunmen and wounded six.

Egypt to buy helicopters

Egypt is to buy four helicopters to protect tourist sites following Muslim militant attacks on foreigners, Reuter reports from Cairo. Information minister Sawaf Sherif was reported as saying ministers discussed the impact of the recent ambush of a tourist bus by Muslim militants.

South Korea and Japan seek thaw in relations

By John Burton in Seoul

SOUTH KOREA and Japan yesterday sought to thaw a recent chill in their relations and to promote closer co-operation on issues affecting North-east Asia.

Meeting in Kyoto, Japan, the South Korean President Roh Tae-woo and Japanese Prime Minister Kiichi Miyazawa held the first of planned regular bilateral discussions, modelled after the informal Franco-German consultations.

South Korea is trying to establish a new diplomatic role in the region, serving as an intermediary in reducing tensions between Japan, China and Russia.

Conflicts among these regional powers have harmed Korea over the past 400 years. But Seoul's recent overtures to China and Russia have caused problems with Japan, South Korea's former colonial master.

The establishment of Sino-South Korean relations in August raised concerns in Tokyo about the emergence of a possible alliance against Japanese influence in the region.

The decision by Russian President Boris Yeltsin to visit Seoul this month after cancelling his trip to Japan over the Kurile Island dispute has added to those fears.

South Korean officials said that President Roh wanted to reassure Japan of Korean friendship in the wake of these diplomatic developments and to show both Beijing and Moscow that Seoul-Tokyo relations remain close and co-operative.

South Korea needs Japanese co-operation in forcing North Korea to accept on-the-spot inspections of possible nuclear weapons facilities.

Japan has indicated that it will not normalise relations or promote economic ties with

Pyeongyang until the nuclear issue is resolved.

But South Korea and Japan appeared to have made little progress yesterday in settling their bilateral problems, including Korea's trade deficit with Japan and financial compensation for the Japanese use of Korean women as military prostitutes, or "comfort girls", during the second world war.

South Korea's trade deficit with Japan this year is likely to be twice as big as its total trade deficit of \$3bn (\$1.22bn).

South Korea relies heavily on Japan for machinery and industrial components.

The trade deficit would be even bigger if it was not for import restrictions that South Korea places on Japanese products. Seoul is demanding that Japan help reduce the persistent trade deficit by transferring technology to Korea and increasing Korean imports through tariff cuts.

Tokyo expected to announce resumption of aid to Iran

THE Japanese government is expected this week to announce the resumption of yen credits to Iran, ending a 17-year embargo and marking the second important foreign policy change since the US presidential election, writes Robert Thomson in Tokyo.

Provision of the fresh credits, apparently \$300m (\$150m) for a dam and hydroelectric power project, will follow the government's decision on Friday to end a 13-year ban on economic aid to Vietnam.

The timing of the two decisions reflects Tokyo's belief that the period before Governor Bill Clinton's inauguration as president should be used to announce potentially controversial policy changes.

Japanese companies have wanted the government to resume economic assistance to Iran, which they believe offers potential for lucrative contracts for infrastructure work and industrial equipment.

Most Japanese car makers have sharply increased their exports to Iran this year, while Nissan, the trading house, has just won an \$8bn contract to supply oil exploration equipment. Mitsubishi Corp, another trading house, was part of an international consortium recently awarded rights to develop a natural gas field.

Japan is aware that the new credits could prompt criticism from the US. The ban on assistance was maintained in sympathy with US concerns about missing military personnel in Vietnam.

Kenya's opposition may boycott poll

By Julian Ozanne in Nairobi

KENYA'S opposition parties, worried the government might try dirty tricks, are considering a boycott of the country's first multi-party elections in 26 years, raising doubts about the electoral process.

Senior opposition officials are angry and frustrated by the lack of transparency in the National Electoral Commission, which is organising the polls, and by the govern-

ment's continued harassment of the opposition and blocking of opposition campaigning in a number of provinces.

Over the weekend four opposition parties accused the government of preparing to rig the elections.

The Democratic party said it was clear the NEC was incapable of organising free and fair elections. Mr Martin Shikuku, secretary general of Ford-Asili, called for the postponement of elections and the immedi-

ate resignation of Mr Justice Chesoni, chairman of the NEC.

Mr Robert Shaw, an economic adviser to the main opposition party, Ford-Kenya, warned that if elections went ahead under current conditions, "the prospects for social discord and post-electoral instability are significant."

The opposition also says the government has not agreed a plan of monitoring for international observers.

MacSharry stresses need for restart of US-EC oilseed talks

By Tim Coone in Sligo

SLIGO is the home town of Mr Ray MacSharry, the EC agriculture commissioner. It was here that he was schooled in Irish politics and where he still retreats for weekends away from the pressures of world farm trade negotiations and Brussels bureaucracy.

The 140-mile journey from Dublin can be a tortuous drive, slowed by heavy traffic and road works, but boardings along the way identify the road projects as financed from EC structural funds, part of a nationwide and much-needed road improvement scheme.

Once you are there, however, the tranquillity of the views over the Atlantic Ocean dispel the anger induced by the ubiquitous cattle trucks which seem to have a queue of cars weaving in frustration behind them wherever they go.

Mr MacSharry set the cat among the pigeons in Brussels last week by withdrawing as the EC negotiator in the farm trade talks with the US, then beat a tactical retreat to Sligo while Mr Jacques Delors, EC Commission president, took the heat for the breakdown in the talks.

He acceded to an interview to clarify the point at which the EC-US negotiations have stalled. It was conducted in his black Mercedes limousine, which comes with his job as commissioner. "The house is full of Fianna Fail people getting ready for the election campaign," he apologised.

Never once referring to Mr Delors by name he said: "My only concern, and I want to stress and underline this, is that the US and the EC should come to agreement as quickly as is possible on the outstanding point in agriculture and get back to Geneva so that they can wrap it all up among the 108 countries before the end of the year. That is my only concern in the whole affair."

"There is an amazing responsibility on the shoulders of all those directly concerned, and particularly the bosses, to get on with the job," he said. "My only concern has been to do my part. We've brought [the negotiations] to the stage where they can be concluded. It is necessary to do so now in the interest of the world economy to help it out of recession."

Discussing his decision not to continue as EC negotiator in talks with the US, Mr

MacSharry said: "I have not resigned from the post of EC agriculture commissioner. There are numerous responsibilities attached to [that job], one of which is international negotiations on agricultural matters. That responsibility I have asked the president to carry out. So it's a matter for the president. I am satisfied that I have made my contribution. Now it is just a matter of finalising the details and all together must do that and do that quickly."

Expressing optimism that agreement can be reached with the US, he said: "Of course there are differences, they want to get their way the same as the Community wants to get its way... but the differences are slight enough."

He pinpointed US insistence on oilseed tonnage rather than acreage limits as the final hurdle to be cleared in the talks.

"To comply with the Gatt panel which has found against the [oilseeds export subsidy] regime in operation in the EC, we are prepared in the context of the Gatt negotiations... to extrapolate the oilseeds sector out separately from the arable crops sector and treat it separately... to identify it as a single sector," he said.

This would imply that acreage limits on oilseeds would be negotiable, a significant departure from the previous EC stance which treated the arable crops sector as one package.

Asked whether the offer to separate out oilseeds from the arable crops sector had led to the row with Mr Delors, Mr MacSharry said he did want to become involved in personality clashes. "Of course there are governments that do not like the reform of the CAP and maybe would like that it would go away, but it won't go away," he said.

He insisted that the oilseeds offer to the US had been made in the context of the CAP reform package. "Outside of that I will not go because I have made a solid commitment to the governments and the farmers, that we would not ask that they pay twice - first to reform the CAP and secondly to comply with Gatt obligations, so therefore we will do it in the context of the reform of the CAP," he said.

Mr MacSharry declined to say whether he would resume his role of negotiator if requested. "It is a matter for the president [Delors]. He allocates the responsibilities... I am only interested in getting this

thing back on the rails and I think my action has highlighted the importance of it and that in itself has been a good thing. It is now up to people much higher than me... to see that the job is done."

"In fairness to the United States they have come a long way... they are prepared to move on the four points of concern to the EC, which are lesser export volume commitments, rebalancing, a proper peace clause, and most important of all, to accept that the per hectare payments and livestock premiums under the new CAP reform will not be disciplined and will not be reduced. So in fairness to the US they have come a long way," he said.

Mr MacSharry pointed out that the US administration's fast-track trade negotiating procedure agreed with Congress expires next March, and that to enable the US to ratify an agreement within that period a farm trade deal would have to be concluded rapidly, and an overall Gatt agreement concluded by the end of the year. "If it isn't wrapped up by Christmas... then we are talking about another year lost, and where will the world economy be by then?" he asked.



Ray MacSharry: set the cat among the pigeons in Brussels by quitting as EC negotiator in farm trade talks with the US

INTERNATIONAL ECONOMIC INDICATORS: PRICES AND COMPETITIVENESS

Yearly figures are shown in index form with the common base year of 1985. The real exchange rate is an index throughout; other quarterly and monthly figures show the percentage change over the corresponding period in the previous year and are positive unless otherwise stated.

UNITED STATES					JAPAN					GERMANY					FRANCE					ITALY					UNITED KINGDOM					
Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
1986	101.9	98.6	102.2	90.4	76.5	100.8	95.3	101.4	103.3	131.0	100.1	97.5	100.8	103.0	102.2	102.2	101.5	102.2	102.2	102.2	102.2	102.2	102.2	102.2	102.2	102.2	102.2	102.2	102.2	
1987	105.6	100.7	103.6	96.7	65.4	101.2	92.5	103.1	100.8	131.6	100.1	96.1	100.0	107.1	123.3	105.9	97.2	103.0	102.8	111.0	103.2	111.5	105.6	102.3	107.7	108.3	116.3	91.3	100.0	
1988	108.9	103.2	106.9	98.1	61.8	102.2	92.3	107.8	96.2	140.3	101.4	96.2	113.0	106.7	125.3	108.8	102.8	111.1	104.0	116.5	106.8	118.4	109.8	101.8	113.0	113.2	128.2	108.9	97.5	
1989	115.2	108.5	110.0	96.9	65.5	104.9	94.2	114.0	96.1	132.2	104.2	96.3	117.3	107.9	121.0	116.4	107.0	108.6	105.2	124.2	113.1	126.6	112.1	107.2	121.8	119.0	137.2	116.8	96.4	
1990	121.5	113.8	113.6	100.9	60.9	108.2	95.7	120.1	98.2	114.8	107.0	100.0	120.0	110.4	125.0	117.9	117.9	134.7	116.0	124.2	117.9	134.7	116.0	113.7	138.3	126.0	150.1	123.2	102.3	
1991	126.6	118.3	117.3	103.5		111.6	97.3	124.4	101.7		110.7	103.4	131.8	111.4		120.0	105.0	129.8	114.3	140.3	121.7	147.9	131.8		141.2	153.0	162.4	133.8	100.0	
4th qtr.1991	3.0	-0.2	2.8	1.7		3.2	0.0	3.2	6.0		3.9	2.4	n.a.	8.8		2.9	-3.8	n.a.	3.9	6.1	2.1	10.8	12.7		4.2	8.0	7.8	4.4		
1st qtr.1992	2.9	0.4	2.6	-0.1		2.1	-0.8	2.5	8.6		4.3	2.0	n.a.	4.5		3.1	-3.0	n.a.	0.9	6.8	1.4	9.2			4.1	4.5	8.8	4.2		
2nd qtr.1992	3.1	1.2	2.9	-0.5		2.5	-0.7	2.4	8.4		4.5	2.0	n.a.	3.8		3.1	-1.1	n.a.		5.5	2.0	8.0			4.2	3.8	5.9	1.6		
3rd qtr.1992	3.1	1.8	2.3	0.0		2.0					3.5	1.0	n.a.			2.7		n.a.		5.2					3.6	3.3				
October 1991	2.9	-0.1	2.8	2.9	n.a.	3.1	0.3	2.6	6.1	n.a.	3.5	2.3	-	5.5	n.a.	2.5	n.a.	-	n.a.	n.a.	6.1	2.2	10.8	n.a.	n.a.	3.7	5.0	8.3	5.8	n.a.
November	3.0	-0.5	3.5	1.7	n.a.	3.6	-0.1	2.7	6.0	n.a.	4.2	2.5	-	5.4	n.a.	2.9	n.a.	-	n.a.	n.a.	6.2	2.3	10.7	n.a.	n.a.	4.3	5.1	7.8	3.4	n.a.
December	3.1	-0.1	2.6	0.7	n.a.	3.0	-0.1	3.5	5.9	n.a.	4.2	2.6	6.3	6.0	n.a.	3.1	n.a.	4.1	n.a.	6.0	1.9	10.4	n.a.	n.a.	4.5	4.8	7.2	3.9	n.a.	
January 1992	2.6	-0.4	1.7	0.7	n.a.	2.1	-0.6	4.8	8.0	n.a.	3.9	1.8	-	4.5	n.a.	2.9	n.a.	-	n.a.	n.a.	5.1	1.3	9.4	n.a.	n.a.	4.1	4.5	7.5	4.7	n.a.
February	2.8	0.6	3.5	-0.1	n.a.	2.2	-0.6	1.2	7.9	n.a.	4.3	2.0	-	3.8	n.a.	3.0	n.a.	-	n.a.	n.a.	5.3	1.5	9.1	n.a.	n.a.	4.1	4.4	7.8	2.5	n.a.
March	3.2	1.1	2.8	-0.7	n.a.	2.1	-0.7	1.7	9.8	n.a.	4.8	2.5	-	5.4	n.a.	3.2	n.a.	3.8	n.a.	5.5	1.4	9.1	n.a.	n.a.	4.0	4.9	10.3	5.3	n.a.	
April	3.2	1.1	3.4	-0.6	n.a.	2.8	-0.7	1.3	7.7	n.a.	4.8	1.9	-	5.4	n.a.	3.1	n.a.	-	n.a.	n.a.	5.5	1.8	8.8	n.a.	n.a.	4.3	3.8	5.0	0.0	n.a.
May	3.0	1.1	2.6	-0.6	n.a.	2.3	-0.7	1.1	11.8	n.a.	4.6	2.0	-	1.7	n.a.	3.1	n.a.	-	n.a.	n.a.	5.7	2.1	4.6	n.a.	n.a.	4.3	3.5	7.0	2.8	n.a.
June	3.1	1.8	2.6	-0.3	n.a.	2.5	-0.7	3.8	5.7	n.a.	4.3	2.0	-	4.3	n.a.	3.0	n.a.	3.8	n.a.	5.4	2.1	4.7	n.a.	n.a.	3.9	3.5	5.9	2.0	n.a.	
July	3.2	1.7	1.7	-0.2	n.a.	2.0	-0.7	2.3		n.a.	3.3	1.1	-	6.9	n.a.	2.9	n.a.	-	n.a.	n.a.	5.4	1.9	4.0	n.a.	n.a.	3.7	3.4	6.2	3.0	n.a.
August	3.1	1.5	2.6	-0.3	n.a.	1.8	-0.8			n.a.	3.5	1.1	-		n.a.	2.7	n.a.	-	n.a.	n.a.	5.2		3.5	n.a.	n.a.	3.6	3.4	6.7	1.8	n.a.
September	3.0	1.6	2.5	0.6	n.a.	2.2				n.a.	3.8	0.8	-	6.8	n.a.	2.6	n.a.	-	n.a.	n.a.	5.1			n.a.	n.a.	3.8	3.9			n.a.

Ford seeks job cuts in Britain

By Catherine Milne, Labour Staff

WORKERS at Ford, the UK new-car market leader, are expected to face compulsory redundancies for the first time in almost 30 years following a meeting today between management and unions.

Unions representing the 25,000 hourly paid workers say the company has withdrawn its proposal for a six-month pay freeze in return for voluntary job cuts, but expect Ford will still press for a 40 per cent pay cut for workers on short-term until the end of 1994.

In September Ford said it would undertake to achieve the more than 1,500 job losses voluntarily if unions agreed to the package. The company warned that if there were insufficient volunteers by December 11 it would have to move to compulsory redundancies if the deal was rejected.

Unions believe Ford can achieve job cuts voluntarily and say they will resist compulsory redundancies and the cut in lay-off pay.

Ford said in September it needed to shed workers at UK car-assembly and engine plants, saying it had "half an assembly plant too much capacity". Ford's 10,000 salaried staff were told last week to expect compulsory redundancies. Ford's UK workforce fell from a peak of 30,000 in early 1980 to 28,500 by late last year.

Government to increase support for exporters

By Peter Norman and Ralph Atkins

THE UK GOVERNMENT intends to give greater support to British exporters as part of its plans for economic recovery.

Mr Michael Heseltine, trade and industry secretary, said yesterday that he was sympathetic to helping industry more with export credits, adding that the Department of Trade and Industry would recruit 100 people from the private sector to help boost exports.

He said that it was a government priority to enable industry to seize opportunities created by sterling's devaluation and that the new personnel would "dramatically increase" the DTI support for the export drive.

Mr Heseltine, however, declined to give further details ahead of Thursday's announcement by Mr Norman Lamont, the chancellor of the exchequer, of the Autumn Statement (on planned annual government spending) and a package of measures to aid economic recovery.

A cut in bank base rates from 3 per cent is widely expected this week. A poll of City of London financial analysts by MMS International, the financial information company, found that 80 per cent expect Mr Lamont to cut rates by a

full point "around the time of the Autumn Statement".

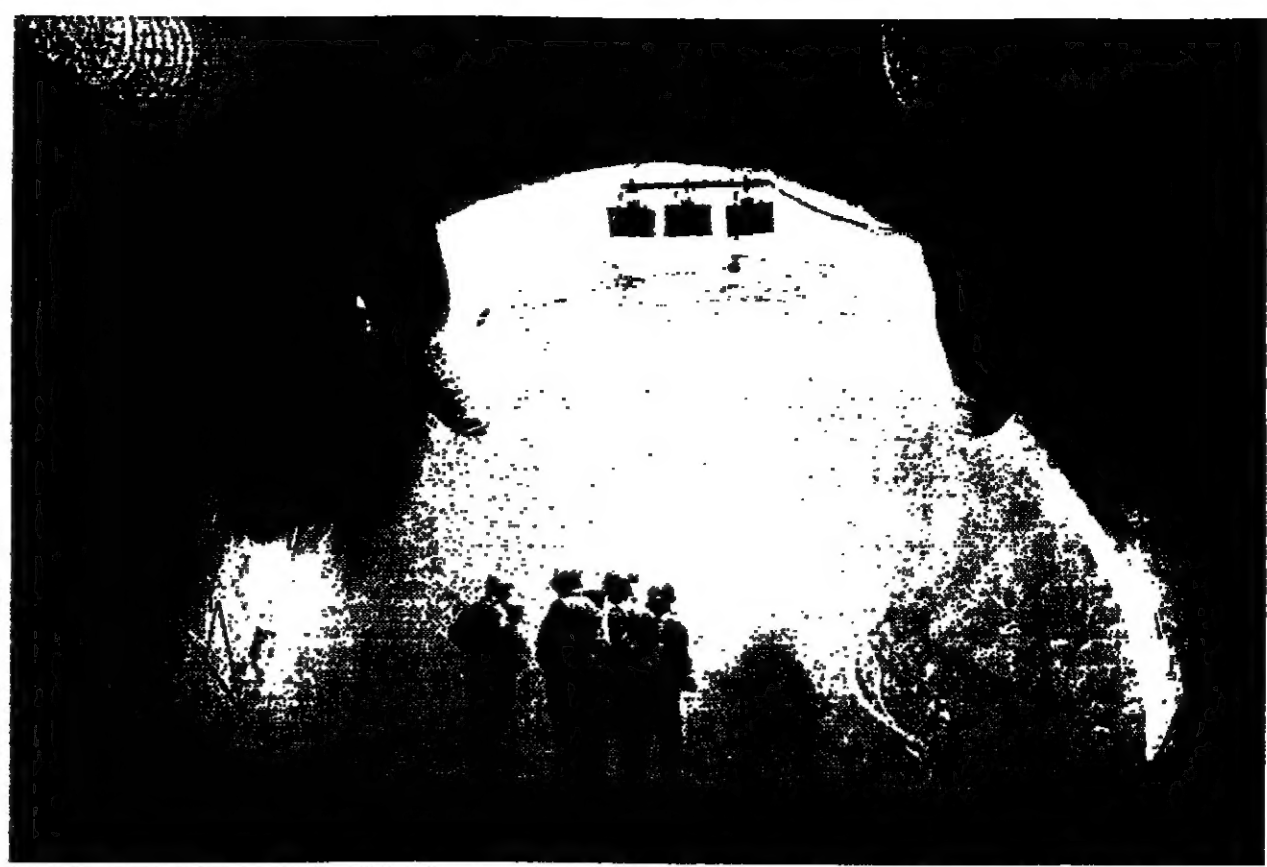
The government is also due to announce help for industry, including an easing of Treasury restrictions on private sector investment in infrastructure.

These moves will be balanced by a tough fiscal package. The cabinet has already agreed to hold the government's public spending within £244.5bn in 1993-94 and subject public sector pay to a tight squeeze.

The Treasury now supports a more expansionary policy because of growing worries about recessionary tendencies around the world. But officials fear that some more radical proposals would risk pushing sterling into a free fall with negative long-term consequences for the government's battle against inflation.

At the weekend, government officials expressed concern that expectations had become exaggerated ahead of the chancellor's statement. They pointed out that the government has already presided over a substantial policy relaxation.

Officials stressed that Mr Lamont is committed to holding underlying inflation in the 1 to 4 per cent band over the life of the parliament and providing a stable economic framework in which businesses can make decisions.



GOING UNDERGROUND: Trial tunnel for the proposed rail link between Heathrow and central London's Paddington station

Heathrow express link under threat

By Paul Betts, Aerospace Correspondent

PLANS to build a £300m express rail link from Heathrow airport to Paddington station in central London are being threatened by an arcane dispute over what BAA, the privatised airport group, should pay for use of British Rail track.

The Department of Transport, BR and BAA are to resume negotiations on this critical issue for the future of the Heathrow Express rail link later this month after failing to reach an agreement at a meeting last week.

BAA, which will report today its first half financial figures expected to show a 30-35 per cent rise in pre-tax profits to £200m-£220m, is anxious to reach a compromise with BR over railway track fees by the end of this month to enable construction work on the new express link to early next summer.

The airport group is arguing it cannot put together a financing package for the project unless it can first secure an agreement with BR over fees.

BAA is planning to raise the bulk of the £300m in the City of London by selling equity in the new Heathrow Express company to investors including financial institutions, construction companies, airlines and possibly foreign railways.

But it says it cannot approach investors until it has resolved the issue of track fees which represent a significant element in the overall operating costs of the new railway venture.

The project was first conceived four years ago as a joint venture between BAA and BR with the airport operator taking a majority 80 per cent stake and BR the remaining 20 per cent.

However, this original proposal was derailed by BR's financial constraints and the uncertainty over the government's railway privatisation plans as well as BAA's new strategy of focusing on its core airport activities.

Sir John Egan, BAA's chief executive, has also made it clear he has

no desire to run railways.

But he regards the project, in which BAA would ultimately hold a minority stake, as crucial for the longer term development of Heathrow, BAA's prime airport asset, and improving access to one of the world's busiest international airports used by more than 40m air travellers a year.

BAA has already completed about 95 per cent of the design work for the new express service which would link Heathrow, the only big European airport still without a direct city rail connection, to central London in 14 minutes. It has also just finished a £1.2m trial tunnel at Heathrow for the proposed new rail service.

If a deal on track fees is reached with BR this month, BAA expects to complete financing arrangements quickly for construction work to start in the spring enabling the new express service to open in 1997.

The airport operator expects between 8m and 7m passengers a year to use the new service. In the throes of its imminent privatisation, BR is however

worried that any deal on track fees for the Heathrow Express service risks setting a precedent for future negotiations with private investors interested in acquiring franchises from BR to operate rail services.

But BAA argues that the Heathrow Express should be treated as a special case. The venture, it says, is not seeking a franchise to operate a private rail service but is investing £300m to build a full scale private railway.

Although the new service will be running on some of BR's existing track as well as on its own new track, the venture will finance the electrification of the BR track on the Paddington to Reading line up to the junction where it will swing towards Heathrow airport.

The electrification programme, BAA adds, will not only benefit the Heathrow Express but eventually other rail services. It argues track fees should reflect this electrification investment of around £30m.

unless it can first secure an agreement with BR over fees.

BAA is planning to raise the bulk of the £300m in the City of London by selling equity in the new Heathrow Express company to investors including financial institutions, construction companies, airlines and possibly foreign railways.

But it says it cannot approach investors until it has resolved the issue of track fees which represent a significant element in the overall operating costs of the new railway venture.

The project was first conceived four years ago as a joint venture between BAA and BR with the airport operator taking a majority 80 per cent stake and BR the remaining 20 per cent.

However, this original proposal was derailed by BR's financial constraints and the uncertainty over the government's railway privatisation plans as well as BAA's new strategy of focusing on its core airport activities.

Sir John Egan, BAA's chief executive, has also made it clear he has

no desire to run railways.

But he regards the project, in which BAA would ultimately hold a minority stake, as crucial for the longer term development of Heathrow, BAA's prime airport asset, and improving access to one of the world's busiest international airports used by more than 40m air travellers a year.

BAA has already completed about 95 per cent of the design work for the new express service which would link Heathrow, the only big European airport still without a direct city rail connection, to central London in 14 minutes. It has also just finished a £1.2m trial tunnel at Heathrow for the proposed new rail service.

If a deal on track fees is reached with BR this month, BAA expects to complete financing arrangements quickly for construction work to start in the spring enabling the new express service to open in 1997.

The airport operator expects between 8m and 7m passengers a year to use the new service. In the throes of its imminent privatisation, BR is however

worried that any deal on track fees for the Heathrow Express service risks setting a precedent for future negotiations with private investors interested in acquiring franchises from BR to operate rail services.

But BAA argues that the Heathrow Express should be treated as a special case. The venture, it says, is not seeking a franchise to operate a private rail service but is investing £300m to build a full scale private railway.

Although the new service will be running on some of BR's existing track as well as on its own new track, the venture will finance the electrification of the BR track on the Paddington to Reading line up to the junction where it will swing towards Heathrow airport.

The electrification programme, BAA adds, will not only benefit the Heathrow Express but eventually other rail services. It argues track fees should reflect this electrification investment of around £30m.

Settlement close on Maxwell

By Jimmy Burns

A LARGE group of insurers are understood to have agreed to an out-of-court settlement involving a £5.5m payout on the life of the late Mr Robert Maxwell.

However final agreement is still being held up because of the resistance of some insurers involved in the original policy who are disputing the cause of Mr Maxwell's death.

Under the policy, brokered by Willis Wrightson, the subsidiary of Willis Corroon, the full claim of £20m was payable if Mr Maxwell died from accidental causes or murder.

Most of the 150 insurers involved, mainly Lloyd's syndicates and London market companies, are thought to be in favour of paying out £5.5m without accepting liability.

Insurance companies and the main beneficiaries disagree about the cause of Maxwell's death. The main beneficiaries are two companies in the private Maxwell business empire - Robert Maxwell Group and Headington Investments, which are now in administration - and the public company Mirror Group Newspapers, which is still trading, and Maxwell Communication Corporation, which is in administration. The proposed settlement is believed to have the firm backing now of 75 per cent of the insurers and beneficiaries.

There is a possibility that some companies could opt for court action, but insurance sources believe this unlikely because of the costs involved and the uncertain outcome.

Some companies say the policy has been rendered invalid because Mr Maxwell said he had no health problems. According to Mr Maxwell's doctors, he was healthy before starting his final cruise. But he is known to have had part of one lung removed, and had been suffering for years from fluid and respiratory ailments.

Loss adjusters acting for the insurers remain convinced that the most likely cause of Mr Maxwell's death was suicide, but investigators acting for the beneficiaries believe he died from drowning after falling accidentally into the sea.

Employers urge interest rate cut

By Tony Jackson, Industrial Editor

THE Confederation of British Industry yesterday called on Mr Norman Lamont, the chancellor of the exchequer, to cut interest rates by 2 points to 6 per cent.

The employers organisation hoped the cut would come in conjunction with Thursday's Autumn Statement on government spending. It also renewed its call for maintained or increased government spending on capital projects.

Speaking at the CBI's annual

conference in Harrogate Mr Howard Davies, director general, said the government was showing signs of a new attitude to industry. "What we are looking for from the Chancellor on Thursday is what that attitude actually means."

Mr Davies said that while CBI members believed in principle that Britain should rejoin the European exchange rate mechanism, the necessary conditions were unlikely to be fulfilled in the near future.

Sir Michael Angus, CBI president, said that over the past few weeks, ministers had lis-

tened intently and encouraged business leaders to bring forward new thoughts. "I think they really realise that something has to be done."

The CBI presented the first report of its new National Manufacturing Council, calling for a "partnership for prosperity" between industry and government.

The report, which aims to improve the UK's competitiveness in manufacturing, calls for increased productivity, doubled investment per employee and a higher share of world export markets.

REPUBLICA DE BOLIVIA

LICITACION PUBLICA
C.A. 22/06/92

CROWN AGENTS, AGENTE DE COMPRAS DEL GOBIERNO DE BOLIVIA
EN NOMBRE Y POR CUENTA DEL
MINISTERIO DE TRANSPORTES, COMUNICACIONES Y AERONAUTICA CIVIL
SERVICIO NACIONAL DE CAMINOS

y con el financiamiento del
BANCO INTERAMERICANO DE DESARROLLO (IDB)
CREDITO INSTAL. POR WIEDEBAUFRAN (KFW)
CORPORACION ANDINA DE FOMENTO (CAF)
GOBIERNO DE BOLIVIA
INVITA

A las Empresas CONSULTORAS DE LOS PAISES MIEMBROS DE LOS ORGANISMOS FINANCIADORES, a presentar documentos de PRE-SELECCION que les permita habilitarse para ser invitadas a presentar propuestas económicas para la:

SUPERVISION EN LA CONSTRUCCION DE LA CARRETERA
COTAPATA - SANTA BARBARA

La obra forma parte del proyecto "Corredor Beni-La Paz-Frontera peruana". Consiste en la construcción de aproximadamente 49 km de longitud, con un trazado distinto al actual en servicio, con una plataforma de 7 m. de ancho y dos bermas de 1 m. de ancho cada una. Asimismo, se instalarán tres estaciones de peaje en las cercanías de Chuquisigüe (La Paz), Camarevi y Puesto Alto Beni.

El plazo de ejecución de la obra, incluyendo el período de movilización, se estima en 52 meses calendario.

LICITACION PUBLICA
C.A. 22/06/92

CROWN AGENTS, AGENTE DE COMPRAS DEL GOBIERNO DE BOLIVIA
EN NOMBRE Y POR CUENTA DEL
MINISTERIO DE TRANSPORTES, COMUNICACIONES Y AERONAUTICA CIVIL
SERVICIO NACIONAL DE CAMINOS

y con el financiamiento del
BANCO INTERAMERICANO DE DESARROLLO (IDB)
CREDITO INSTAL. POR WIEDEBAUFRAN (KFW)
CORPORACION ANDINA DE FOMENTO (CAF)
GOBIERNO DE BOLIVIA
INVITA

A las Empresas CONSULTORAS DE LOS PAISES MIEMBROS DE LOS ORGANISMOS FINANCIADORES, a presentar documentos de PRE-SELECCION que les permita habilitarse para ser invitadas a presentar propuestas económicas para la:

CONSTRUCCION DE LA CARRETERA
COTAPATA - SANTA BARBARA

La obra forma parte del proyecto "Corredor Beni-La Paz-Frontera peruana". Consiste en la construcción de aproximadamente 49 km de longitud, con un trazado distinto al actual en servicio, con una plataforma de 7 m. de ancho y dos bermas de 1 m. de ancho cada una. Asimismo, se instalarán tres estaciones de peaje en las cercanías de Chuquisigüe (La Paz), Camarevi y Puesto Alto Beni.

El plazo de ejecución de la obra, incluyendo el período de movilización, se estima en 52 meses calendario.

LICITACION PUBLICA
C.A. 22/06/92

CROWN AGENTS, AGENTE DE COMPRAS DEL GOBIERNO DE BOLIVIA
EN NOMBRE Y POR CUENTA DEL
MINISTERIO DE TRANSPORTES, COMUNICACIONES Y AERONAUTICA CIVIL
SERVICIO NACIONAL DE CAMINOS

y con el financiamiento del
BANCO INTERAMERICANO DE DESARROLLO (IDB)
CREDITO INSTAL. POR WIEDEBAUFRAN (KFW)
CORPORACION ANDINA DE FOMENTO (CAF)
GOBIERNO DE BOLIVIA
INVITA

A las Empresas CONSULTORAS DE LOS PAISES MIEMBROS DE LOS ORGANISMOS FINANCIADORES, a presentar documentos de PRE-SELECCION que les permita habilitarse para ser invitadas a presentar propuestas económicas para la:

SUPERVISION EN LA CONSTRUCCION DE LA CARRETERA
RIO SECO - DESAGUADERO

La obra forma parte del proyecto "Corredor Beni-La Paz-Frontera peruana". Consiste en la construcción de aproximadamente 96 km de longitud, con la colocación de una superficie de asfalto de 7 m. de ancho y dos bermas con alfilerado de grava de 1.5 m. de ancho cada una. Asimismo, se construirá una variante a la altura de las ruinas de Tiwanaku a fin de proteger los monumentos arqueológicos. También se instalará un puesto de control de tránsito en la frontera y dos estaciones de peaje en las cercanías de Laja y Desaguadero.

El plazo de ejecución de la obra, incluyendo el período de movilización, se estima en 36 meses calendario.

LICITACION PUBLICA
C.A. 22/06/92

CROWN AGENTS, AGENTE DE COMPRAS DEL GOBIERNO DE BOLIVIA
EN NOMBRE Y POR CUENTA DEL
MINISTERIO DE TRANSPORTES, COMUNICACIONES Y AERONAUTICA CIVIL
SERVICIO NACIONAL DE CAMINOS

y con el financiamiento del
BANCO INTERAMERICANO DE DESARROLLO (IDB)
CREDITO INSTAL. POR WIEDEBAUFRAN (KFW)
CORPORACION ANDINA DE FOMENTO (CAF)
GOBIERNO DE BOLIVIA
INVITA

A las Empresas CONSULTORAS DE LOS PAISES MIEMBROS DE LOS ORGANISMOS FINANCIADORES, a presentar documentos de PRE-SELECCION que les permita habilitarse para ser invitadas a presentar propuestas económicas para la:

CONSTRUCCION DE LA CARRETERA
RIO SECO - DESAGUADERO

La obra forma parte del proyecto "Corredor Beni-La Paz-Frontera peruana". Consiste en la construcción de aproximadamente 96 km de longitud, con la colocación de una superficie de asfalto de 7 m. de ancho y dos bermas con alfilerado de grava de 1.5 m. de ancho cada una. Asimismo, se construirá una variante a la altura de las ruinas de Tiwanaku a fin de proteger los monumentos arqueológicos. También se instalará un puesto de control de tránsito en la frontera y dos estaciones de peaje en las cercanías de Laja y Desaguadero.

El plazo de ejecución de la obra, incluyendo el período de movilización, se estima en 36 meses calendario.

Las Empresas interesadas podrán consultar y/o adquirir el Pliego de Licitación con la suma de US\$ 1,000.- a partir del 9 de noviembre de 1992, en las oficinas de:

CROWN AGENTS Avenida 29 de Octubre No. 2819 Fax No. (021-3) 972765 Telex No. 3453 CAROL BV Teléfono 364035 La Paz - Bolivia

CROWN AGENTS recibirá los documentos de pre-selección en sobre cerrado y lacrado, en la dirección precedida hasta el 26 de diciembre de 1992, a horas 12:00 y se procederá al acto de apertura a horas 15:30 del mismo día.

What's the quickest way to meet 3,500 European company directors?

Travel all over the continent... or come to Nice.



1st PAN-EUROPEAN BUSINESS CONVENTION

Nice, 8-11 December 1992

Under the auspices of the Commission of the European Communities

In a few days the Single Market will become a reality. However, there is a question to answer before barriers are taken down:

Are you ready for this new Europe without frontiers? Europa 92 comprehensive programme comprises: 17 conferences, 32 workshops and

forums, over 150 speakers from the Twelve European countries, experts, analysts, economic and political leaders, and also Business-to-Business meetings. This will be a unique opportunity for you to meet and exchange views with 3,500 business executives from all over Europe.

For more information or registration: please fill-in this reply coupon and fax it to:

Europa 92: (33) 93 13 73 24

Name:

Company:

Address:

Country:

You can also call: (33) 93 13 74 91 or send your reply coupon to the following address:

EUROPA 92, BP 259, 06005 NICE CEDEX - FRANCE

Anxious markets look to No 11

meeting continues. Switzerland, EC central bank gover-

Friday: UK, October retail prices index (up 0.4 per cent on

Peter Norman

The interim dividend is forecast to go up by 9 per cent to 7.4p (6.8p).

At Anglian, where Lyonnaise des Eaux Dumez sold its near-9 per cent stake in October, sending tremors through sector share prices, the forecast profit rise is from £91.2m to

Analysts believe pre-tax profits may edge ahead to around £180m as the strength of the Boots the Chemists chain and the pharmaceuticals division again shine through.

The results are expected to be boosted by foreign currency gains and an accounting adjustment at a subsidiary, forecast to net £50m.

[illegible]

NUM, Nacods, British Gas. Agriculture: Arrangements for banana importation into the UK. 10.45am. Witnesses: Various groups of banana

Lords:
Not sitting.

EXHIBITIONS

NOVEMBER 16-18
The Financial Services Jobs
Fair, Olympia 2, Level 2
Talk to the leading financial institutions at Olympia on Monday Nov 16th - Wednesday Nov 18th. Find out which financial company will give the best training, support and rewards. Doors open 11 am - 7 pm 16th & 17th, 11 am - 5 pm on 18th. £3 admission.

LONDON

APPOINTMENTS ADVERTISING
appears every Wednesday & Thursday
& Friday (International edition only)
For further information please call:
Richard Jones on 071-873 3460
Teresa Keane on 071-873 3199
Alison Prin on 071-873 3607
Phillip Wrigley on 071-873 3351

New finance director for L&M



37

The receptionist at Honda's manufacturing complex has not yet had to leave her desk to help screw widgets together on the engine assembly line. But, if asked, she is perfectly prepared to do so. Indeed, it would be expected in the unlikely event of a sudden shop-floor crisis at the Japanese car-maker's £370m plant at Swindon, 80 miles west of London.

The receptionist would even be appropriately dressed. As a matter of daily routine she wears overalls similar to those of Shojiro Miyake, managing director of Honda manufacturing in the UK and president of Honda Motor Europe. They are the same overalls that are worn by the remaining 844 employees and directors currently working at the 360-acre site.

She could find herself swapping spanners on the assembly line with Andrew Jones, the plant manager who was last week made a director of Honda of the UK Manufacturing. A former BT personnel director, with experience in the mining industry, he has operational control of a complex that already inspects and tests some 40,000 Honda Concordes built for it by its Rover Group partner. The plant also makes more than 100,000 engines a year and has just started producing the first of what, by the mid-1990s, will be 100,000 Honda cars a year.

Jones makes clear that, if the need is sufficiently urgent, no one in the plant is too senior, or exempt for any other reason, from helping out on even the most humble tasks. He has no office or secretary. But then neither do any other of the plant's most senior employees, including Miyake.

There are other cultural aspects of Honda's Swindon operation which, like the status-shrouding overalls, have already acquired a familiar ring to western ears through Japanese companies which have long preceded Honda into Europe.

Everyone at Swindon is on the same pension scheme, sick pay conditions and holiday entitlement. There is no reserved parking. Everyone uses the same changing rooms and canteen. There are no formal job descriptions and there are no workers or directors, only "associates".

Nothing better illustrates the attitudes being promoted by Honda than the company's move to a shorter working week. During 1990, following a concerted campaign by engineering unions, indigenous companies horse-traded with their employees over the terms for moving from 40 hours to 38. At the same time, Honda's Swindon employees were told

Demarcation lines are out and teamwork is in at a new car plant in Swindon, says John Griffiths

Honda reaches accord in UK

they could move from a 40 to a 37-hour week - without preconditions.

"What we said was, 'look, effectively we're giving you 5.1 per cent time at the same rate of pay. Will you please make up the difference?'" recalls Jones. "And it came - in the form of hundreds of small ideas which improved the way we work and our overall levels of efficiency."

It was not just the shorter hours but the way in which they were organised which has helped to foster good relations within a plant which has no union representation or recognition - and no plans for any.

Says Jones: "We have a young work force with an average age of 28. They're a social lot. They mostly like a drink and the opposite sex and we quite understood that on Friday nights they'd really like to leave early."

"Ordinarily, the second of the two shifts within the engine and vehicle inspection plants finishes at midnight. But by making both morning and evening shifts shorter by two hours, and cutting the normal gap between first and second shifts from the usual one hour and 10 minutes to 10 minutes, everyone gets to go home on Friday by 6.30 at latest."

Currently, only a handful of Accords are coming off the line each day - a function of what Jones acknowledges to be an "obsession" with quality, and of the small teams grouped on the assembly line learning for themselves how best to organise their work.

Jones says it will be 12 to 18 months before the Swindon plant is producing at its single-shift capacity of 50,000 cars a year, so anxious is Honda to set high quality standards from the start. Nevertheless, the build-up is under way, and employment at the plant will pass the 1,000 mark in early January, on route to 1,500 jobs by the end of next year as single-shift capacity nears, and an eventual 2,000 in the mid-1990s.

"Teamwork" crops up in almost every sentence uttered by Jones: "It is critical. So many people talk of good teamwork as if it's some kind of philosopher's stone. In our case

it translates as an overriding objective to develop together. If you were to go out on the line, you would find no work study or industrial engineers timing everything - we expect our people to develop their own jobs and functions."

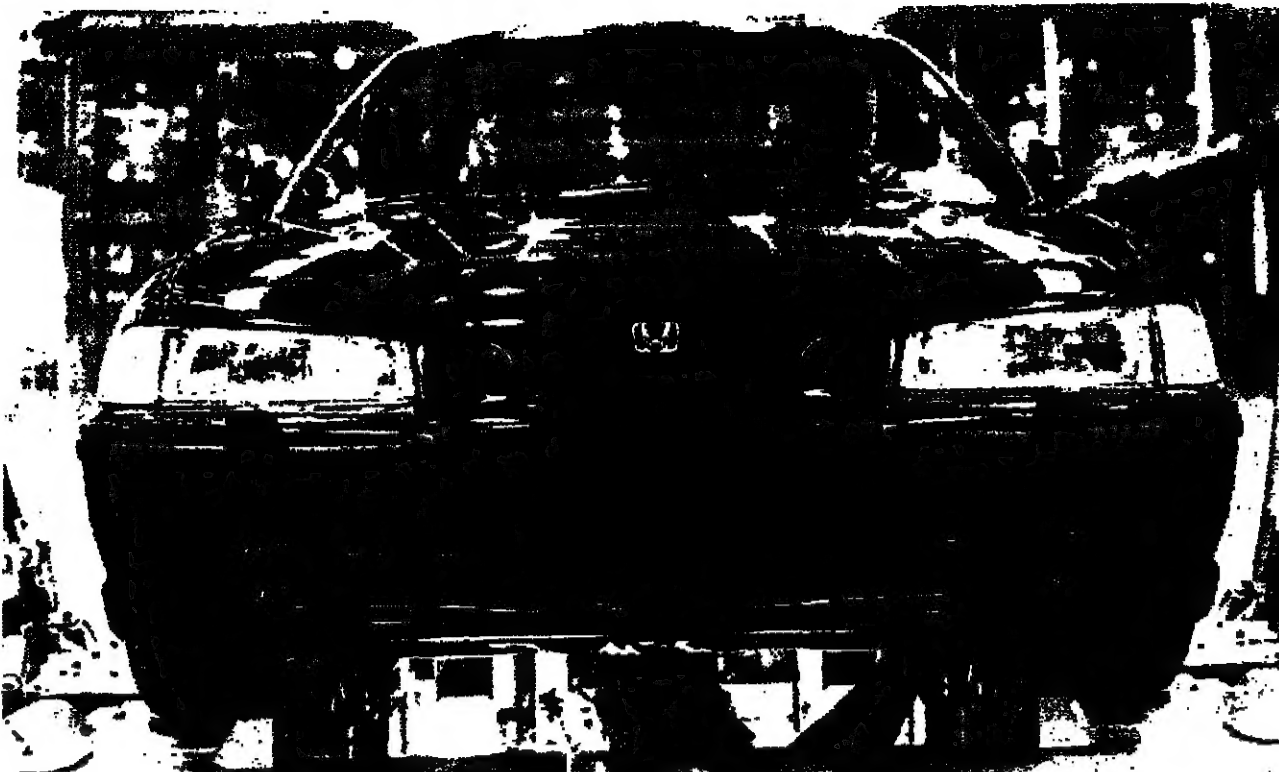
The car plant work force is being "grown" organically from a core of about 100 people who were among the first employees at the pre-delivery inspection (PDI) centre - operational since 1986 - and the engine plant which has been on stream since 1989. "The advantage is that the PDI people came with an understanding of all aspects of the car, and people from the engine centre came with an awareness of the importance of meeting production targets."

Working in teams of four, they are said by Jones to have gained great breadth of understanding and knowledge from each other. Initial teams were formed by one Japanese train-

ing one "Brit". Both would then train two more Britons. All four would train another four - and so the process continues today.

"Teamwork means that we reject class differentiation and job demarcation. We don't accept anyone as being more important than anyone else. If we are recruiting at a senior level, that recruit spends at least one month on the shop floor. So if you want high status, a secretary and an expensive desk to keep everyone at a distance - don't come and work here," says Jones.

The majority of the current work force has been recruited locally, many during a period when unemployment in the Swindon region was under 3 per cent. Now it is 9 per cent but the recruitment programme continues almost invisibly, with initial recommendations spreading by word of mouth. Each candidate has to pass two interviews and,



Putting teamwork to the test: the first British-built Honda Accord going through final checks on the line at the new Swindon plant

more recently, an aptitude test.

All staff are involved in daily start-of-shift briefings and are fully briefed from weekly management meetings. At the start of each month all staff review with Jones and his closest associates the company's current position and operating activities as well as welcoming new "associates". There are also monthly "birthday party"

get-togethers in which all staff meet socially and to swap ideas with Miyake, Jones and other senior colleagues.

There are also regular "Y-Gaya" meetings involving all groups of employees. The phrase stands for "free, frank interchange of views". The idea, says Jones, is continually to widen understanding and

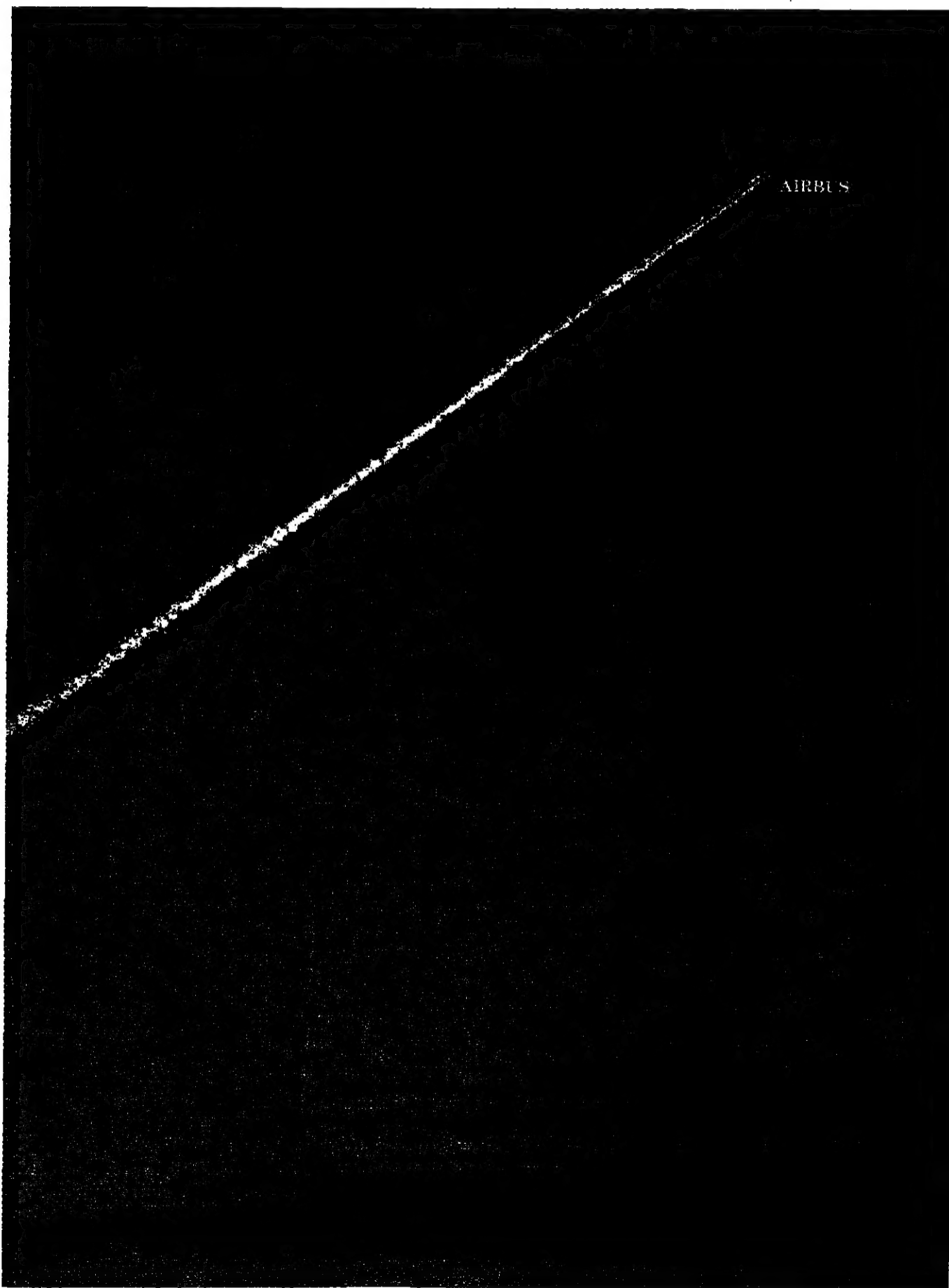
spread knowledge.

There are now 52 "new Honda circles" - teams of six people looking for continuous improvement within defined areas that the team itself selects. They include new ideas, training, environment and safety. As an example, one "associate" was burned while deep in the foundry area, undertaking maintenance. His

circle devised a new system

which now means that no one needs to enter the hazard area. The sometimes regisibly self-named circles have plaques created in token of their achievements. Honda, says Jones, has no problem publicly acknowledging its gratitude to, among other teams, the "Missionary Position" and "Three Men and a Ferret".

Together we have reached the height of success.
(and you know what success breeds.)



There can be no finer example of successful European cooperation than the combination of industrial know-how in aeronautic and space programmes.

Aerospatiale and its European partners have joined forces to win 50 % of the launch vehicle market for Ariane.

A major success which has been repeated wherever the spirit of cooperation is present: 1800 aircraft sold to date by Airbus Industrie, almost 40% of the global helicopter market for Eurocopter and close on 550 regional transport planes supplied by ATR.

As never before, the key to continued development in the sector of aeronautics and space lies in the complementary skills of European industries.

A powerful force in which Aerospatiale places increasing faith with every day that passes.



AEROSPATIALE

ACHIEVEMENT HAS A NAME

At the cutting edge of budget plans

John Willman reports on civil servants making hard choices

As the Cabinet puts the finishing touches to next year's public expenditure plans, senior civil servants all over Whitehall are preparing contingency plans for implementing budget cuts.

The decisions are often agonising and can be particularly hard when comparisons between different projects depend on subjective judgments about their merits.

How, for example, to decide between an extra 1,000 places in nursery schools or spending the same amount on improved teacher training?

Or between competing research proposals in different technical areas, all of which might bring benefits to British industry - the problem faced by one branch of the Research and Technology Division of the Department of Trade and Industry?

"We have to set priorities among a dozen or so programmes," says Richard King, the head of the branch. "Without some comparative indicator of cost-benefit, we had to rely on subjective advice, with all the difficulties of reading across from one field to another."

This year, the branch has used a new system to decide priorities on these programmes using much more objective criteria.

Developed with Genetec Group, the Cambridge-based consultants, it converts a wide variety of expert opinion and judgment into a single quantitative measure - the expected benefit indicator.

The EBI has two elements. A policy score which evaluates how much each project contributes to meeting policy objectives. For the DTI, these objectives are the seven set for the department in the 1989 white paper - for example, improving quality in UK industry and assisting

innovation. The extent to which each project meets these seven policy objectives is assessed by the DTI's own expert advisers using common criteria.

These assessments are then weighted and standardised, producing scores which are comparable between different projects.

An economic importance indicator, reflecting the value of the industrial activities which might be affected by the project. The inclusion of this element means that projects which are attractive on policy grounds are downgraded if they would have only a marginal impact on the economy.

Again, expert advice is used to decide which sectors of the economy are likely to be affected by each project and the degree to which they will be affected. The current gross sales figures for each sector are projected forward to give a snapshot of the economic benefits of each project in 10 years' time. Multiplying these two elements together produces the EBI which can be set against the anticipated costs to produce a cost/benefit ranking of projects. The results so far have been promising, according to King.

"Not only did it succeed in producing a ranking for programmes, it also did so in a way which seems to make sense to our advisers and specialists. It is clearly important that they should respect the methodology if it is to be useful in establishing consensus over priorities."

For now, the system is used only in this one branch of the DTI. But with increasing emphasis on value for money in public spending, interest is likely from other budget-holders looking to optimise the allocation of scarce resources.



Chester Square, one of the Belgraveia terraces belonging to the Grosvenor Estate

Architecture/Colin Amery

London's heritage in danger

In all the rumour about English Heritage's recent pronouncements about its future, there is a whole area that seems to deserve much closer attention, analysis and comment. That area is London.

London's heritage of historic buildings is now supervised by English Heritage. English Heritage was set up by Mr Michael Heseltine in 1984 as a quango divorced from its natural home in the Department of the Environment.

In the world of conservation and the heritage, as in so many other areas, the nation now suffers greatly from the impulsiveness of Mr Michael Heseltine. He has never been a minister to think very thoroughly about the consequences of his impulses. English Heritage, with its logo and management teams, may have looked good, but it has never functioned well because of its hybrid status: neither independent nor government; responsible to two ministers - Environment and National Heritage; and run by civil servants struggling to be "independent."

London's heritage had, until 1986, been increasingly well looked after by the Historic Buildings Division of the Greater London Council. When the GLC was abolished by the Conservative government under Mrs Thatcher, this division found itself transported to the confused realm of English Heritage. The abolition of the GLC left London as probably the only capital city in the world with no form of metropolitan government. Merely the one anomaly was in the area of historic buildings, where London continued to receive special treatment by the transfer of the GLC's powers to English Heritage.

From 1986 English Heritage has had the residual local authority powers to "direct" the decisions of the London Boroughs in relation to listed building consent applications; in other parts of the country English Heritage only deals with the top two grades of listed buildings. This may seem technical and irrelevant, but what it means is that London's historic buildings and conservation areas receive the best possible protection and "heritage advice."

But in the recently issued "Background paper 5" that accompanied the strategy

document "Managing England's Heritage - Setting Our Priorities for the 1990s" - English Heritage announces that it intends to "withdraw from what are essentially local authorities' responsibilities, in relation to Grade II buildings" - which in effect means the end of any special status for London, and the end of the once superb London Division. How curious that Mr Stevens, who has publicly stated that all his officials' proposed changes are about "raising our standards not dropping them," should deliver the fate of the majority of London's listed buildings into the hands of the London Boroughs who will be reluctant to find funds to protect them adequately.

It would be agreeable to think that back in 1986 the reason the GLC's Historic

How can any London borough, when its own interests are at stake, act independently when it comes to the demolition of listed buildings?

Buildings Division was moved lock, stock and barrel to English Heritage, because it was so good at its job. No one could possibly doubt the quality of the staff and their work. The London Division should be the exemplar for the rest of the country. Instead it is to be broken up to meet the wishes of bureaucratic levelers who dislike exceptions to the rule. In the recent report of the National Audit Office on English Heritage, while the organisation as a whole was criticised for inefficiency and lethargy, the London Division was said to be doing its job too well - and was criticised for the quality of its work being too high. Of course, it has to be abolished.

Mr Stevens is a man who wants quick results. He has not thought through the question of London's heritage. Only a few of the London boroughs have effective conservation officers and there is little likelihood of any more government funds. Why is it that what was accepted for London in parliament by the minister at the time in 1985, Mr Kenneth Baker, is suddenly seen as too good to be workable.

The advantages of the London Division of English Heritage are clear - the chief one being its independence. How can any

London Borough, when its own interests are at stake, act independently when it comes to the demolition of listed buildings? Mr Stevens will no doubt point to other areas of the country, but the pressures on the capital are different and need special treatment.

London's historic areas are endangered by another Government measure which was debated in Parliament last week. The leasehold reforms proposed in the Housing and Urban Development Bill, are, if they are carried through, bound to have very mixed consequences for London's architectural heritage. Much of central London still belongs to the great estates that developed their London properties in the 18th and 19th centuries.

Some of the most beautiful and well maintained squares and crescents are managed by the estates to a remarkably high standard. Bedford, Grosvenor, Cadogan, Thurloe, Howard de Walden, Portman - an historic list of names that have created the character of many of the best parts of the capital. No landlord is perfect but it is hard to see any hint of intelligent alternative management proposals in the current legislation.

Compare Belgraveia with Pimlico and the environmental differences are striking. Look at the parts of the Portman estate that are retained in Marylebone and compare them with the condition of the streets to the north that were sold after the war. Covenants seldom work effectively and neighbourhood associations depend on volunteers or committees that seldom agree. It has been said that Paris and Edinburgh show that cities can retain architectural quality without a leasehold system. But in both those cities there is a great deal of rented accommodation at the centre and the buildings are simple maintained by landlords who own the buildings. London's great estates are unique and valuable and have retained mixed residential communities in the city centre. A freehold free for all is not the solution. A fairer leasehold system perhaps with real safeguards for architectural management and conservation is what is needed. The present Bill, if passed in its present form, looks as though it will sweep away the good landlords with the bad, and like the English Heritage proposals, weaken the protection afforded to the delicate architectural fabric of the capital.

Pantomime/Malcolm Rutherford

A dragon with three heads

The pantomime season has started early at the Royal National Theatre, and a very clever choice has been made. *Dragon*, by the Russian playwright Yevgeny Shvarts, is actually more of a fairy tale than a pantomime. It has more than a touch of satire. Which ever way you look at it, it fulfils the seasonal requirement of containing something for everyone.

Shvarts (1896-1968) was one of those writers who, however hard he tried to write in code, was generally seen through by the censors, so that his works were seldom performed in his lifetime. *Dragon* was stopped in its tracks in Leningrad in 1944 and not publicly shown in the Soviet Union until 1962 - after the denunciation of Stalin. There was an language version at the Royal Court in 1967.

One can see why the censors objected. The dragon is plainly Stalin: he has three heads and it is no use cutting off just one. Moreover, the moral goes further: those who slay the dragon, or are accomplices to the act, are quite capable of becoming dragons themselves and perhaps even more tyrannical than the original.

So much for the politics. A dragon with three heads is a wonderful subject for a fairy tale. In this new version by Alan Cumming and Ultz, everything has been thrown together: the resources of the Olivier stage, villains, a damsel in distress, a talking cat. Some assistance from the television programme, *Spitting Image*,

and the latest in rap from MC Kinky, who used to work with Boy George.

There is a story as well. The dragon is slain by Lancelot who disappears after the battle as mysteriously as he has arrived. That is when the new tyrannical sets in and the prisons become even fuller. After a year, however, Lancelot returns and the ending is happy, even sentimental. "The dragon is each and every one of us must be slain."

I can't say I much liked the music, though others may disagree. Among the parts that stood out for me were "a spot of market research" by the new villains. They consult a snake, a snake ("there's another slippery customer") and a par-

rot, which simply repeats what they have just said. Then there is the traditional pantomime technique in asking the audience (let's have a referendum) "do you want us to kill the dragon?" Overwhelming shouts of "yes".

The revolving stage and all the resources of lighting and sound are used to the full. There is the noise of an aerial battle involving helicopters and light aircraft as the dragon is finally killed. When Lancelot is absent and rumours start as to his whereabouts, the letter "L" begins to appear all over the theatre. Scott Brooker of *Spitting Image* has been at work on dragon, whose three heads are separately cast, like giving a credit to the kindges

of the pantomime horse.

Minor delights include the talking blue cat, Lancelot bouncing up and down a group of puppet dogs ("they set the dogs on me and we became friends") and the piglets who turn out still to be alive on the banquet table.

Ultz directs as well as designs. The cast is changing parts each performance, so *Dragon* is almost the ultimate in company playing. There is no guarantee that it will be the same show every time. Saturday's was delightful; parents might like to know that it lasts less than two hours with an interval.

Repertory, Olivier Theatre. (071 928 2322)



Gary Lydon and Dervla Kirwan in *A Handful of Stars*, the first part of Billy Roche's Westford Trilogy which is now playing at the Bush Theatre, London W12 where it had its premiere in 1988. The second and third parts, *Poor Beast in the Rain* and *Belfry* will follow shortly. (081 743 3388)

Soleil's circus extravaganza

Soleil's newest circus extravaganza, *Saltimbanco*, now playing in Los Angeles at the beginning of a two-year North American tour, is a wonderful evening's entertainment that can be enjoyed as pure spectacle, but contains some subtle and profound messages as well. If only the Canadian troupe didn't try so hard to convince us that *Saltimbanco* (an Italian word for street performer) carries some deep, mysterious - and, eventually - non-existent meaning.

Tying *Saltimbanco's* individual circus acts together with recurrent characters, music, and even a story line in the air, is a good idea, but the performers play it all out with an air of self-importance and exultation that is distracting and often downright silly. Epitomising this is Francine Poitras, the chanteuse whose vocals mark the first use of the human voice in any of Cirque's productions. She wafts and struts around the stage, sweeping her arms in arcs with gossamer sleeves floating along behind her, strong and well-trained voice singing - gibberish. That she is singing nonsense words is never mentioned in the programme; many audience members assumed that she was speaking. The Québecois Cirque's native French. The intention behind this is not to preference any one language over another, but does this really necessitate meaningless?

The performers of the spectacular circus acts carry off

Cirque's trademark attitude of exultation more successfully than the incidental players. Twins Karyne and Sarah Stéphan gaze into each other's eyes with awe throughout their trapeze act because their dexterity, daring and mutual trust is indeed awesome. Cirque's performers are surely at the forefront of their craft. Cuban Miguel Herrera literally turns juggling upside down, bouncing seven balls off the floor at once. A team of 15 acrobats performs a Chinese pole-climbing act extraordinary not only in the acrobats' balance and strength but also in the beauty of the pictures they create as they hang in the air.

As with all of Cirque's spectacles, *Saltimbanco* is circus updated to be politically correct - no animal acts nor scantily clad women seen in half. A rock band, spectacular lighting effects, gusts of dry-ice fog and the inclusion of a child in the production makes *Saltimbanco* particularly appealing to children. Clown René Bazinet provides *Saltimbanco's* sublimest moments. Bazinet, who looks like Goofy, takes an audience member - the evening I attended, an average-looking thirty-something fellow - and trains him in clown tricks for nearly half an hour. The Cirque band and unobtrusive microphone system help Bazinet provide hilarious sound effects which makes the improvised act seem rehearsed.

Karen Fricker

Shostakovich's Fourth Symphony

With Alexander Lazarev in charge, the BBC Symphony transmitted Shostakovich's Fourth Symphony with singular power on Thursday, to a Festival Hall audience arranged in the ideal way: all eagerly crowded around the platform, front and side, as close as numbers permitted.

Never mind the rows of empty seats at the back of the Terrace, and in the Grand Tier (chirpy music-lovers know that every BBC concert will sooner or later be broadcast in digital stereo); the BBC's new pricing policy - a flat £9 for any seat, as close as numbers permitted - has secured a heartening result.

Too many South Bank and Barbican concerts find themselves with little strips of audience in the Stalls, arranged according to disposable income (or pecking-order within a corporate patron) and insulated by unoccupied gaps, while the cheaper seats far away may be crammed full.

Along with Valery Gergiev, whom we know so far chiefly in opera, Lazarev - now the BBC's Principal Guest Conductor - is the happiest discovery among the newer Russian maestros. This Shostakovich Fourth was superbly prepared (the BBC Symphony, swollen for the occasion, on their best form - a serious compliment these days) and enacted with knife-edge dramatic sense. The composer finished it in 1936, after his popular triumph with *Lady Macbeth of Mtsensk* had been curdled by Stalin and

Zhdanov's disapproval. That was a crisis-point. It can be no accident that the Finale is so restless and distracted, where his original intentions promised something more incisively confident; nor that the lingering, frozen coda is so fraught with passive foreboding. Willy-nilly, the Fourth became Shostakovich's first large-scale exercise in compromise and concealment.

Yet it tingles with compositional vitality, which Lazarev rendered in vivid colours (including the strangest, most haunted ones) and tautly ordered succession. Even the best digital stereo cannot have captured the full force of this searching performance. Before it Ida Haendel played Britten's Violin Concerto with her usual grace and flawless musicianship. In her silver-age years, she is becoming as much of a prodigy again as at the precocious start of her career. The Concerto remains the product of a fleetly gifted young composer (he was 26, newly self-exiled to America) with no pressing urge to write one thing rather than another. The piece parades a lot of wry, ingenious detail without an overriding purpose.

There is no particular reason why Lazarev should feel any special sympathy for it, but he did it proud: I don't remember any previous performance in which Britten's inventions have sounded so red-blooded and buoyant.

David Murray



BERLIN

CONCERTS
● Schauspielsaal: Andrew Davis conducts Berlin Radio Symphony Orchestra tonight in Schumann's Second Symphony and Elgar's Introduction and Allegro for Strings. Thurs: Ukraine National Symphony Orchestra plays Musorgsky and Prokofiev (2080 2156)
● Philharmonie: James Levine conducts tonight's concert by the Berlin Philharmonic Orchestra, with works by Berlioz, Debussy and Elgar. Thurs, Fri, Sat: Seiji Ozawa conducts Bartók's Concerto for Orchestra and Tchaikovsky's First Symphony. Next Mon: James Galloway. Tonight in Kammermusikkol: Berlin Baroque Orchestra. Tomorrow: Soloists of Berlin Radio Symphony Orchestra. Wed: sacred music by Haydn and Mozart. Thurs: Berlin Philharmonic Wind Ensemble. (2548 8232)
● Other events: Lohrer Zagrosce conducts an orchestral

concert at the Komische Oper on Thurs, featuring Beethoven's Fourth Piano Concerto with Tatiana Nikolajeva as soloist (2292 555). Daniel Barenboim conducts the Berlin Staatskapelle in works by Beethoven, Berg and Strauss on Fri and Sat at the Staatsoper, under den Linden (2004 782)

● This year's JazzFest Berlin at the Philharmonie Nov 26-29 features Milt Jackson, David Friedman, Lionel Hampton and others (254890)

OPERA
Deutsche Oper This week's repertory includes La forza del destino on Wed, Tosca on Fri, Peter Schaufuss' production of La Sylphide on Sat and Tannhäuser with Anne Evans on Sun (3410 249)
Staatsoper under den Linden Eva Mei and Matti Salminen star in tonight's performance of Entführung. Tomorrow: Salome with Karen Huffstodt and Monte Pederson. Wed: Der Freischütz with Magda Hajosyova and Reiner Goldberg. Thurs: Il barbiere di Siviglia. Sun: Giselle. Nov 18: Peter Schreier sings Winterreise. Nov 22: Barenboim conducts Parsifal (2004 782)

GENEVA

OPERA/CONCERTS
Armin Jordan conducts Orchestra de la Suisse Romande tomorrow in Victoria Hall, in a programme of Rakhmaninov's Paganini Rhapsody (Valentin Gheorghiu) and Mahler's First Symphony (311 2511). Horst Stein conducts Andreas Homoki's new

production of Die Frau ohne Schatten at the Grand Théâtre on Wed and Sat, with a cast headed by Wolfgang Schoene, Deborah Polaski, Thomas Moser, Ellen Shade and Reinhold Runkel (311 2311)
THEATRE
A production of two short plays by Marivaux can be seen daily except Sun and Mon at the Comédie (320 5001). Gorki-Tovstonogov Theatre of St Petersburg brings an Ostrovsky production to Théâtre de Carouge Nov 17-29 (343 4343)

MILAN

Teatro alla Scala Riccardo Muti conducts an orchestral concert on Wed. Dmitri Hvorostovsky gives a song recital on Nov 23. The 1992-3 opera season opens on Dec 7 with a Zeffirelli/Muti production of Don Carlo starring Luciano Pavarotti (7200 3744)

NEW YORK

OPERA/DANCE
Metropolitan Opera Christine Weidinger sings the title role in tonight's performance of Semiramide (also Fri). Tomorrow and Sat afternoon: L'elisir d'amore with Ruth Ann Swenson. Wed and Sat evening: Tosca with Carol Neblett (Wed) and Ghena Dimitrova (Sat). Thurs: Madama Butterfly with Diana Soviero. Nov 19: first night of new production of Lucia di Lammermoor starring Jane Anderson (382 6000)
State Theater Tomorrow's performance by New York City Opera is Carmen. The rest of

the week is devoted to Nash Schmidt and Jones' 110 In The Shade, which brings the City Opera season to an end on Sat. New York City Ballet opens its winter season next Tues (870 5570)

CONCERTS
● Valery Gergiev conducts tonight's concert by the Kirov Opera Orchestra at Avery Fisher Hall, with a programme of Tchaikovsky's Sleeping Beauty excerpts and Sixth Symphony, plus Shostakovich's First Violin Concerto (Vladimir Repin). Thurs, Fri afternoon, Sat and next Tues: André Previn conducts New York Philharmonic in works by Haydn, Ravel and Beethoven, with piano soloist Emanuel Ax. Fri evening: American Symphony Orchestra plays works by Varèse, Poulenc, Cage and Koechlin (875 5030)
● Carnegie Hall's programme includes a concert on Sat by Orpheus Chamber Orchestra, with vocal soloists Martina Arroyo and Paul Plishka. Sun afternoon: Thomas Hampson song recital. Sun evening: Trevor Pinnock conducts National Arts Centre Orchestra of Ottawa, with violin soloist Dmitri Sitkovetsky. Next Mon: Alicia de Larrocha piano recital. Next Tues: Tannetted conducts Mahler (247 7800)

● Other events include a concert tonight at Walter Reade Theater, in which Gerard Schwarz conducts Music Today Ensemble in Walton's Facade (721 6500). Wed at Alice Tully Hall: Guarnieri Quartet and friends (721 6500). Wed at Merkin Concert Hall: Bach's Magnificat

(352 8719). Fri and Sat at Brooklyn Academy of Music: world premiere of Low Symphony, new work by Philip Glass. Nov 19-23: Einstein on the Beach (718-636 4100)

VIENNA

OPERA
Staatsoper This week's performances begin on Wed with Capriccio. Thurs and next Tues: Tosca with Mara Zampieri, Nell Shioff and Jean-Philippe Lafont. Fri: Prokofiev's ballet Romeo and Juliet. Sat: Der Rosenkavalier. Sun: Die Zauberflöte. Next Mon: Ariadne auf Naxos (51444 2960)
Volksoper Tonight's performance is La nozze di Figaro. Tomorrow: new production of Gottfried von Einem's opera Dantons Tod. Wed: Lady Macbeth of Mtsensk. Fri: Das Land des Lächelns. Sat: My Fair Lady (51444 3318)

WIEN MODERN

Vienna's annual contemporary music festival focuses this year on Dallapiccola, Henze, Xenakis and Schwenker. Tonight's concert by Ensemble InterContemporain includes works by Dallapiccola and Stockhausen. Wed: Arcus Ensemble plays Xenakis. Thurs: Haydn Trio. Fri and Sat: Christa and Kurt Schwertalk host an evening of his songs. Sun: Heinz Holliger conducts Vienna Chamber Orchestra in works by Henze, Nono and Dallapiccola. Next Mon: Michael Boder conducts Henze's Tristan. The festival runs till Nov 27. Most events take place in the

Konzerthaus (712 46860)
CONCERTS
Grace Bumbury gives a song recital tonight and Wed at the Musikverein. This year's Schubertiade opens on Thurs with a performance of Schubert's oratorio Lazarus. Hermann Prey gives a Schubert recital on Sat, and Andras Schiff continues his Schubert piano cycle on Sun morning. Nov 20, 21, 22: James Levine conducts the Vienna Philharmonic (505 8190). At the Konzerthaus, Mitsuko Uchida gives a piano recital tomorrow. Paul Badura-Skoda takes part in an evening of piano duos on Fri. Waltraud Meier gives a song recital on Sun (712 1211). BBC Welsh Symphony Orchestra plays at the Konzerthaus next Mon and the Musikverein next Tues.

THEATRE
Claus Peymann directs a new production of Goldoni's The Impresario of Smyrna, opening at the Burgtheater on Sat (51444 2218). Theater an der Wien has Elisabeth, a new musical about the child bride of Emperor Franz Joseph, daily except Wed (598 30265). The Volksoper repertory includes a new production of Edward Bond's The Sea (832778).

Theater in der Josefstadt has Peter Shaffer's Amadeus and Ariel Dorfman's Death and the Maiden (402 5127).

● Telephone sales of tickets for the Staatsoper, Volksoper and Burgtheater are available worldwide for holders of credit cards by ringing Vienna 5131 513

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN 2000-2030, 2300-2330 World Business Today - a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel 0700-0710, 1230-1240, 2230-2240 FT Business Daily 0710-0730, 1240-1300 (Mon, Thurs) FT Business Weekly - global business report with James Bellini 0710-0730, 1240-1300 (Wed) FT Media Europe 0710-0730, 1240-1300 (Fri) FT Easton Europe Report 2340-2348 FT Report

Sky News 2030-2100, 2230-2300 FT Business Weekly

SATURDAY

CNN 0900-0930, 1900-1930 World Business Today - a joint FT/CNN production

Super Channel 0830-0850 FT Business Weekly 1130-1200, 1730-1800 FT Media Europe

SUNDAY

CNN 0300-1100, 1800-1830 World Business Today - a joint FT/CNN production

Super Channel 0830-0850 FT Business Weekly 1130-1200, 1730-1800 FT Media Europe

Sky News 0130-0200, 0530-0600 FT Media Europe 0330-1400, 2030-2100 FT Business Weekly

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Monday November 9 1992

Spending dilemmas

A GOVERNMENT that aims to achieve credibility by sticking to its word, but is doomed to disavow it, is in a dilemma. It is the dilemma of the UK government, which makes it look ridiculous, or it sticks to them, which makes it look dogmatic. In the case of the often-repeated commitment to the ERM, the UK government now looks ridiculous. By all accounts, this week's Autumn Statement on public spending will make it look dogmatic.

Yet dogmatism would be better than succumbing to the now pervasive sense of panic. In an all too familiar cycle, the government has switched unthinkingly to "go go" economics. What the chancellor needs to do is ignore the panic and elaborate, instead, his still sketchy medium-term framework for policy.

With the loss of government's main economic policy and the economy teetering between recovery and depression, the details of Mr Lamont's spending proposals are a second-order issue. What matters most is to get the right relationship between fiscal and other policies and to put forward credible proposals for dealing with the dismal long-term prospects for the public finances.

In resisting a fiscal splurge, the chancellor should stress once more the substantial easing of monetary policy that has occurred since September 16. In all probability, a further easing of monetary policy would be more appropriate than the fiscal alternatives. It is too early to argue that further monetary loosening will, in Keynes' famous phrase, be like pushing on a string.

Deficit danger

Mr Lamont should also stress the link between inflation, pay, devaluation and the prospects for sustained recovery. Particularly after a devaluation which is now 13 per cent on the trade weighted effective exchange rate, inflation cannot be assumed to be a thing of the past. The devaluation will also fail to provide an enduring improvement in competitiveness if the rate of growth of real wages does not fall and profitability in the production of tradable goods does not rise.

Where does fiscal policy and public spending fit into the picture? The main point here is the

Welcome, Mr Yeltsin

RUSSIAN President Boris Yeltsin, who arrives in London today for his first official visit, is the bulwark protecting Russia's young reformers. With his reformist government under siege from a coalition of conservatives similar to, but more intelligent than, the one that mounted last year's failed August coup, he deserves as much support as he can get from the west, and especially from the European Community, of which Britain is part.

His welcome visit should be used as an opportunity to underline that, despite domestic distractions and recessionary trends throughout Europe, Britain and the Community understand that the fate of Europe, as well as of Russia, is linked to the success of Russia's pursuit of market reforms.

The post-communist governments of central Europe have already shown that the kind of reforms attempted by the government of Mr Yegor Gaidar are able to bring tangible material and moral benefits within a reasonable period of time. Earlier this year Russia itself started to see the first signs that market reforms and a tight monetary policy could help to put goods into shops and provide the indispensable incentives for people to assume the risks of entrepreneurship.

The task facing Russia, mired in a uniquely destructive economic and political system of its own creation for over seven decades, is much greater than that confronted by central European countries. The latter's cultural roots are in western Europe and they were forced to adopt a clearly alien system for "only" four decades.

Western backing

Nevertheless, the way that central Europe is dealing with the problems of creating new market institutions, modernising the banks, privatising state assets and attracting foreign equity investment is relevant to the long-term solution of Russia's problems. What Mr Yeltsin needs is western backing to help tailor these reforms to Russian circumstances, supported by far greater western equity investment, as well as more governmental and institutional help.

Mr Yeltsin, not an economist,

dire prospects for public finances in the longer term. The public sector borrowing requirement this year may be about £35bn (5½ per cent of gross domestic product) and well over £40bn next year (6 to 7 per cent of GDP). That looks bad, but oceans of red ink can be tolerated in a slump. More worryingly, such deficits could become structural, partly because of the permanent increase in the interest bill (some £3bn-£4bn for each year of such deficits), but still more because of what has been happening to the economy.

Inaccurate forecasts

In March 1990, the Treasury believed that real GDP in 1993-94 would be 8 to 9 per cent larger than now seems likely. Unless the UK enjoys a long recovery at a faster rate than the 2½ per cent a year that the Treasury then thought to be the trend, the economy will remain almost 10 per cent smaller than was expected only 2½ years ago. Self-evidently, the UK will also be unable to afford the public spending plans of that time, let alone increases that are more than cyclical. Even the increase in unemployment does not, it should be noted, necessarily fall into the cyclical category.

The question for the government, part political and part economic, is how much of the pain to impose now and how much in future years. Higher taxes and spending cuts would seem inevitable, though now does not look like the ideal time for either. But that is not what the government is proposing. Its planning total of £244.5bn for 1993-94 represents a real increase of around 4 per cent. Provided it delivers the needed monetary loosening, that target should be met.

Yet failure to do so would not be the end of the fiscal world. An enfeebled government must be careful not to lay itself open to the accusation of starving poor widows and orphans. Maintaining existing investment projects must also be sensible. Even control over public-sector pay cannot be isolated from what is happening elsewhere in the economy.

Mr Major inherited a strong fiscal position. His challenge is to use the fiscal flexibility he has now, while putting forward a credible plan for reducing the scale of borrowing in the future.

must be reassured that he and his government were on the right track before the military-industrial complex, the "red baron" of the collective farms and the old party-security bosses, aided and abetted by a compliant central bank, prised open monetary discipline in July. This sent a flood of inflationary credits surging through the unreconstructed military and heavy industries, followed in short order by a collapse of the rouble and approaching hyper-inflation.

Siren calls

Understandably distracted by the US elections, the debate over Maastricht, a looming EC-US trade war, and gathering recessionary clouds, the west has thus far failed to do enough to stiffen Mr Yeltsin's resolve. Mr Yeltsin needs help to stay the course and ignore the siren calls from powerful potential rivals such as Mr Arkady Volysky to prop up the old system.

There must be no illusions. Dismantling the old militarised economy to free up resources for a capitalist economy attuned to supplying the pent-up needs of the Russian people will lead to unemployment and great social strain. Most of the effort will have to be made by Russians themselves.

Yet the alternative, easy credit to prop up the old system, is already leading to hyper-inflation. Further down this ruinous path lie increasing authoritarianism, economic collapse and ultimately perhaps some form of military dictatorship or even civil war. The post-communist countries of central Europe see this appalling prospect with far greater clarity than those further away.

It is beyond the power of Britain alone to avert such a fate. But bilateral relations are better now than they have been for decades and many Russians believe that Britain retains significant influence. Mr Yeltsin also comes to London as a new administration is being formed in the US. It is time for the US, the European Community and Japan to place the future of Russia, and the other former Soviet republics, higher up their scale of priorities. London is as good a place as any to signal a new western commitment to helping Russia help itself.

The cause of European unity has always been a fragile enterprise. With the Gatt world trade talks in the balance, and the prospects for ratification of the Maastricht treaty cloudier than ever, the row last week over whether Mr Jacques Delors had sabotaged a US-EC agricultural deal was a damaging blow to an already bruised Community.

Mr Delors' position as president of the European Commission appears secure, as long as Mr Ray MacSharry, the EC agricultural commissioner and a lead Gatt negotiator, fails to produce unequivocal evidence to support his charges against the Frenchman. But the recrimination over Mr MacSharry's allegations will linger, fuelling the atmosphere of mutual suspicion inside the Commission and among member states, and strengthening the impression of disarray.

Faced with some of the bleakest economic prospects since 1945, Europe's politicians are increasingly held hostage by domestic political pressures, whether they be from French farmers, a handful of Tory Euro-sceptics or the need to maintain high interest rates to pay for the costs of German reunification. The question being raised in Brussels is whether EC leaders will recover their nerve in time to take the decisions necessary to end the current crisis of confidence inside the Community.

"We need convincing action on the issues at hand," said a senior EC official last Friday, warning that the future of the Maastricht treaty was at stake, "but people are going back to the bad old days when they do not expect much from the European Community."

The Gatt debacle underlined the EC's near-paralysis. The stand-off on agricultural policy between France, tacitly supported by Germany, and Brussels, in the shape of the redoubtable Mr MacSharry, has been one of the worst-kept secrets. If weekend efforts to relaunch the EC-US talks succeed, there may still be a chance of averting a transatlantic trade war which no one wants. However, the way in which member-states have meddled in the Commission's negotiating efforts has revealed institutional weaknesses in the Community.

Even if a Gatt breakthrough materialises, a host of other problems is piling up before the next EC summit in Edinburgh early next month, starting with the UK government's decision last week to delay final ratification of the Maastricht treaty until after a second Danish referendum next year.

Mr John Major's decision to delay ratification caused consternation in European capitals. Most officials believed they had a solid British commitment to press ahead with Maastricht as fast as possible, without renegotiation. Mr Major was, in fact, more circumspect, leaving open the possibility of proceeding after Christmas.

Despite his caveats, several European governments felt misled. The narrow Commons majority on Wednesday night in favour of proceeding with Maastricht was to their mind a victory for the treaty. In the event, the three-strong majority showed how close Mr Major had come to defeat.

Yet the real importance of the British delay is that it adds to the uncertainty which has been sapping the strength of the European Community for the past six months. Ever since the narrow Danish vote against Maastricht, the EC has been engaged in internal crisis management, often to the exclusion of more

National leaders need to make painful choices to rescue the cause of European unity, writes Lionel Barber

Bad blood in Brussels



pressing external matters such as a Gatt agreement and civil war in the former Yugoslavia.

The Community's recent attempts at "Euro-building" have occasionally appeared to be an uneasy mix of the very important and the very unimportant. Efforts to promote "transparency" in the aftermath of the narrow Yes vote in the French referendum on Maastricht led to Mr Major's suggestion that EC leaders should devote a five-minute speech in Birmingham to their vision of Europe. This was greeted with gentle derision in Europe, but efforts to make "subsidiarity" - devolving powers to the lowest appropriate level - comprehensible to the ordinary public have been equally unsuccessful.

Meanwhile, leaders have found it easier to shuffle important business to one side. The turbulence in the European exchange rate mechanism in September, which led to the withdrawal of the Italian lira and the British pound and to the devaluation of the Spanish peseta, let loose shocks inside the European Monetary System which are still reverberating. Yet member-states have so far confined themselves to technical discussions, on the grounds that a public debate about reform of the ERM could unsettle financial markets and precipitate another currency crisis.

Similarly, there is little public debate on the acute economic problems facing Europe - the accelerating downturn which in turn is raising questions about the common drive for economic convergence and future European monetary union laid out in the Maastricht treaty. Some preliminary work on a new growth policy is being conducted by Mr Delors and Mr Henning Christopherson. European commissioner responsible for economic policy; but even the most idealistic Europhiles in Brussels know that the burden for promoting growth lies with the member states.

A pivotal test of political will centres on member-states' approval of the so-called Delors II package. This would authorise extra funding for the poorer southern members and Ireland which Mr Delors insists must be extended if they are to have any hope of surviving the deflationary impact of the drive to monetary union.

The Commission's original proposal, based on 2.5 per cent annual growth, was to increase EC spending by about 30 per cent over five years. The idea was to lift spending from 1.2 per cent of the Community's gross domestic product to 1.37 per cent of GDP by 1997. But several countries, led by Germany and the UK, forced this proposal off the table last spring on the grounds that it was too ambitious at a time

of budget-tightening.

Now the 2.5 per cent growth forecasts look unrealistic. Therefore, in his latest proposal, Mr Delors wants to revive his idea of spreading the increase in funds over seven years, with a freeze on spending at 1.2 per cent of GDP for the first two years. Close colleagues, who describe Mr Delors as "very bruised", believe that failure to agree a budget package could prompt another resignation threat, possibly even an irrevocable decision to quit.

Such a threat may work; but it is becoming increasingly clear that countries such as Germany are hesitant about paying the high economic price for political cohesion in the Community, particularly given the unexpectedly high costs of German unification. "The tensions between donors and recipients in the Community is one of the coming big themes," says a US diplomat in Brussels.

The next big political test for the EC will be how it tackles the Danish question. Already several member states, notably Spain, Germany, France and Ireland, are suggesting privately that Danish requests for "legally binding" agreements on a UK-style opt-out on a single currency and an exemption from a putative common European army will have to be watered down.

For all its seriousness, there is an Alice in Wonderland quality to the debate. Mr Uffe-Ellermann Jensen,

the Danish foreign minister charged with explaining his country's position, is in reality presenting demands largely dictated to his minority government by opposition parties; he himself has little faith in those demands. At the same time, says one senior EC official, member states are kidding themselves if they believe they can significantly change the Danish demands, since they are almost certainly the necessary price for securing ratification next year.

In this official's view, there are only three options to settle the Danish question. First, a new document setting out in explicit detail the post-Maastricht rights and obligations of Denmark to the EC, and vice versa. Such special treatment would be enormously complicated and would almost certainly prove unacceptable to the member states.

The second option is the threat of divorce - an ultimatum to Copenhagen that unless it accepts a non-legally binding political declaration covering its demands, it must leave the Community.

The third option is to accept the Danish terms, recognising that a good deal of what the Danes are seeking is not explicitly required by the treaty. Thus the Community, working with the Danes, would draw up a text on the basis of which the Danish people would ratify Maastricht. And one expert view is that such document could be legally binding upon the Danes, but would not require re-ratification by other member states.

"Anything can be done from a legal point of view," says the expert. "In the end it comes down to a political decision - and the world."

One last alternative for the member states is the Micawber option - to postpone a settlement of the Danish question until after the Edinburgh summit in the hope that something turns up. This carries great risks. Along with the Delors II package, Maastricht ratification by the 12 has a direct bearing on the timetable for the next stage of European Union in 1996 - when the Maastricht treaty is scheduled to be reviewed, and when some countries may be ready to proceed to monetary union.

Approval of Maastricht and a Delors II package are also the pre-conditions for opening EC membership negotiations with Austria, Finland and Sweden. Until recently, it had been assumed that entry talks might proceed early next year despite the problems with ratification.

The British delay, says one EC official, offers countries such as Spain a ready-made excuse to block the negotiations. One good reason is that final passage of Maastricht in the UK House of Lords might not be complete until well into the autumn. If Austria, Finland and Sweden are forced to wait, there is a danger that ratification of their own membership treaties will be delayed until late 1994 or 1995. This could leave them in no man's land when it comes to the Maastricht review conference in 1996 when they had, in fact, hoped to be fully participating EC members.

The EC would thus risk becoming divided between members inside the Community, members with one foot outside such as Denmark and Britain, and would-be members from Scandinavia clamouring to come in. This uneasy ambiguity bears more than a passing resemblance to the unhappy and increasingly untenable position today.

Samuel Brittan

Too early for requiem



The majority of people who open the media have never been slow to pronounce the doom of competitive capitalism. This majority includes many of those who write for financial institutions, admittedly in more guarded style, but whose views are regarded by politicians as representative of the market. Indeed market participants themselves are often bad at making the case for what they are doing and too often give the impression of turkeys celebrating the coming of Christmas.

The combination of prolonged recession, boom and bust in financial markets, and above all Bill Clinton's victory in the US presidential election has put new heart into the anti-capitalist forces, and the sound of their celebrations will go on awhile.

Let me not begrudge people their moments of happiness. Those of us who take seriously the adjective "liberal" before capitalism will not shed any tears over the failure of Mr Bush's campaign, with its mobilisation of intolerant religious fundamentalism and its near-McCarthyite search for dirt against those who opposed the Vietnam war and who experimented with stimulants other than tobacco and alcohol.

The best antidote to anti-capitalist triumphalism, as to most fads, is a little history. The present swing of the pendulum is mild indeed compared with the permanent state of opinion up to a decade or two ago. Go into any library and pick up at random political or economic books written between the wars or in the first postwar decades. You will find in most of them the assumption that some form of collectivism - in the shape of more government intervention, ownership and control - is the wave of

the future and the only argument was how quickly and by what route it would arrive.

Today the great shadow over comprehensive planning and state ownership is the ignominious collapse of the Soviet Union and its satellites. Only a fool would have expected a successful capitalism to emerge from the ashes in a couple of years. The fact that a carefully nurtured system of law, legislation, customs and habits and - of course infrastructure - is required should surprise no-one except a few equilibrium economists. There is, moreover, no beckoning "third way" between communism and capitalism. The country which most nearly offered this, Sweden, is busily dismantling many of its most interventionist institutions, reducing public

Market participants too often give the impression of turkeys celebrating the coming of Christmas

spending and tax percentages, and is suffering from the recession and unemployment usual in an attempt to squeeze inflation out of the economy.

The one large country enjoying successful growth appears to be China, which combines an emergent capitalism with a ruthless political dictatorship reminiscent of the Pinochet regime in Chile. It may appeal to those capitalists - certainly not liberal ones - who put measured economic growth above personal liberty and civil rights. Moreover China's success is so far merely relative. It is growing rapidly from a low level.

Too many capitalist supporters allow their views to be guided by opponents. For instance, the taxation of the bulk of the population to

help the least well off or the victims of change is of course part of a civilised capitalism. Ideally, redistribution should take the form of cash - which respects the choices of the recipient. But when, as in the case of medical services, cash transfers do not work well, a publicly funded system does not take us along the road to serfdom. The fatal stage is later, where in the name of preventing that most British of crimes - queue jumping - the provision of private alternatives is prevented.

When it comes to evils such as environmental pollution, remedies which use the price mechanism or redefine property rights are infinitely better than the top-down approach that have caused such havoc in eastern Europe. The US has been unable to afford a decent safety net, not because of capitalism, but because of interest group democracy that purloins an excessive share of resources for the middle-class welfare state and the military-industrial complex. If Bill Clinton can roll back these interest groups I shall be the first to go to Washington as a humble and penitent pilgrim.

The most recent war cry of those who realise that old style socialism is dead is to say that the supposedly planned Japanese and German variants of capitalism are better than the more buccaneering Anglo-American variety. (How about the Italian, which is the most buccaneering of all?) These slogan-mongers seem not to have noticed the hash which the German social partnership has made of reunification or the financial collapse in Japan.

It is no longer so fashionable to praise the French system. Yet what aspects of it are threatening the Gatt round? It is not the more competitive spirit in industry and commerce, but state support for French farmers. If there is to be a requiem it should be for knee-jerk and producer-driven interventionism.

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCK DESCRIBED BELOW IS NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND.

ISSUE OF £1,200,000,000

8 per cent TREASURY STOCK, 2009

SCHEDULE OF PAYMENTS:

On issue	£25.00 per cent
On 14th December 1992	£35.00 per cent
On 8th February 1993	£34.75 per cent

£1,000,000,000 of the above Stock has been issued to the Bank of England on 6th November 1992 at a price of £94.75 per cent; the balance of £200,000,000 has been reserved for the National Debt Commissioners for public funds under their management.

The Stock will be repaid at par on 25th September 2009.

Interest will be payable half-yearly on 25th March and 25th September. The first interest payment will be made on 25th March 1993 at the rate of £1.9834 per £100 of the Stock.

Application has been made to the Council of The International Stock Exchange for the Stock to be admitted to the Official List; dealings in the Stock are expected to commence on Monday, 9th November 1992.

Copies of the notice in lieu of prospectus may be obtained by post from the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW; at the Central Gifts Office, Bank of England, 1 Bank Buildings, Princes Street, London, EC2R 8EU or at any of the Branches or Agencies of the Bank of England; at the Bank of Ireland, Moynagh Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; or at any office of The International Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON

6th November 1992

هكذا من الأظهر

Classroom reform fails the freedom test

John Patten's Education Bill promises schools more independence but it may actually reduce their power, writes Andrew Adonis

The government's Education Bill, which starts its progress through the Commons this afternoon, is designed to make state schools in England and Wales fit for the 21st century. Since, by general consent, too many of them are unfit for the late 20th, it is an ambitious but imperative goal.

Mr John Patten, the education secretary, claims that "choice and diversity" lie at the heart of his bill. His aim? To make all schools self-governing, busting the monopoly of local education authorities (LEAs), putting parents and teachers in the driving seat, and creating a market in education to increase opportunity for all.

The means? Grant-maintained (GM) status, by which head teachers and school governors are set free from their local council bureaucrats, made accountable to parents, given a block grant from the state broadly related to their numbers, then left to get on with it.

That is the rhetoric. The reality is different. As with so many of the reforms of the Thatcher decade, the Education Bill and wider government education policy reflect contradictory pressures. On the one hand they laud the market; on the other, they shackle it at every turn.

Consider the position of Mr Patten's self-governing grant-maintained schools. Undoubtedly, GM schools will have greater control of their finances and internal management than under the old LEA regime. This can only be positive. Under the local management of schools policy, most schools already enjoy wide budgetary discretion. But a visit to most GM schools reveals an extra sense of pride and commitment among the staff at running their own school entirely free from local bureaucrats.

There are fears that the proposed Funding Agency for Schools, which will distribute grants to GM schools, will yield a new set of unelected officials to replace the old. On that the jury is out. Mr Patten's bill deliberately makes no provision for regional agencies, and he is adamant that the national agency will largely confine itself to sending out the cheques.

Even if that proves to be so, the powers of the state over schools remain vast - and under the current bill, they will be increased in crucial respects.

Some of the new powers relate to regulation, notably the provision for regular inspections under the aegis of



Mr John Patten: plans to exercise far-reaching powers

the new Office for Standards in Education (Ofsted). For all the controversy over "private" inspectors - Ofsted's licensing procedure will make them public in all but name - this aspect enjoys wide support. So does the plan for "education associations" - task forces - to take control of schools certified by Ofsted that fail to provide an acceptable standard of education. The associations could hardly do other than improve such schools, provided high-calibre staff can be recruited.

However, the government

object, a public inquiry will be held. But whatever its findings, Mr Patten is allowed to do what he likes apparently without having to give reasons for a decision.

has taken, or plans to take in the current bill, a whole panoply of powers which run contrary to the self-governing notion, even admitting the need for strong regulation.

Mr Patten is allowed to do what he likes, apparently without having to give reasons for a decision

First, Mr Patten intends to exercise far-reaching powers to reorganise schools. He argues that the expense of LEA surplus places in schools nationwide obliges him to do so. Under the bill, he will have the right to by-pass LEAs and GM schools and draw up his own reorganisation proposals for any locality. Where the locals

themselves small schools which survived Mr Kenneth Clarke, Mr Patten's predecessor, was attracted to the idea, and proposed to earmark funds for successful schools wanting to expand - the reverse side of the coin. One of Mr Patten's first acts on taking office was to cancel that proposal.

As to accountability, parents and schools - GM or not - will have no redress against an education secretary determined to reshape their education system. At present, they can lobby their LEA and vote

it out of office if they want. They can also appeal to the education secretary as a last check against their LEAs. Such is the government's distrust of local councils that Mr Patten is not prepared to give LEAs any role in checking his discretion. Nor is he prepared to consider other democratic devices. Local referendums have a long tradition in British local government; the argument for them in the case of a wholesale school reorganisation is potent - it is the kind of issue which dominates the consciousness of a locality.

The second area of unrestrained government authority relates to the curriculum and examinations. In the 1980s, almost everyone agreed that a national curriculum of some sort was necessary, and its inclusion in Mr Kenneth Baker's 1988 Education Reform Act caused little controversy.

It was generally assumed then, however, that the government would introduce a loose framework curriculum and leave schools a large measure of freedom. Not so. With every year, state interference has increased. Last year, Mr Clarke appointed Lord Griffiths, former head of Lady Thatcher's policy unit, as head of the quango responsible for school assessment. He proceeded to reshape large parts of the post-1988 system. Mr Patten has even decreed that all 14-year-olds would be forced to study one of three Shakespeare plays - including Julius Caesar - for their national English tests.

It is the same tale with exams. Last year Mr Clarke, after no consultation and to the consternation of most teachers, announced that the course work component of the GCSE, the exam taken by all 16-year-olds, was to be slashed. Schools had to change courses at short notice. Yet both he and Mr Patten to date have ruled out of court any reform of A-levels, despite the overwhelming consensus for change among teachers, educationalists and businessmen, who are convinced that a fifth of all candidates are left with little to show for their work, with even the successful obliged to specialise far earlier and more narrowly than their Continental counterparts.

So "choice and diversity" operate within narrow confines. Local bureaucrats and the education establishment are being shown the door. But education is evidently too important to be left to parents and teachers. It is no surprise that Mr Patten has taken to dubbing himself "the nation's headmaster".

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Treasury not to be totally excluded

From Mr Alan Budd.
Sir, In his article "Not accountable yet" (November 2), Samuel Britan says that in my article "Disarming the Treasury" I proposed that the Treasury should cease to be a forecasting organisation. In that article (which I wrote while I was at the London Business School), I said that there should be a considerable widening of the sources of advice for the chancellor and a reduction in the weight placed on the Treasury's internally generated views. But I added: "This would not exclude the Treasury from offering independent advice, based on its own analysis and forecasts."

Alan Budd,
30 Leinster Road,
London NW5 1SG

UK would be biggest victim in trade war

From Sir Anthony Meyer.
Sir, Far more worrying than the slippage of the timetable for the ratification of the Maastricht treaty is the threatened outbreak of protectionism unless progress in the General Agreement on Tariffs and Trade talks can be swiftly resumed.

The consequences of a trade war would be disproportionately serious for Britain, which is more dependent on trade than almost any other industrialised nation.

Surely even the most dogged Euro-sceptic can now understand that, if we remain on the fringes of the European Community, or even if we pull right out of it, we shall be worse hit than any by a world trade war: that it is therefore more than ever vital for us to be at the heart of the European Community trying to influence it towards compromise in Gatt and to open trading policies.

Anthony Meyer,
policy director,
European Movement - UK,
Europe House,
188 Buckingham Palace Road,
London SW1W 9TR

Global security now inseparable from economic issues

From Mr Richard Kozul-Wright.

Sir, Edward Mortimer's open letter to the president-elect of the US ("Dear Mr President", November 4) well describes some familiar and not so familiar challenges which will be faced by a new administration in Washington.

Of particular interest, given the lack of any detailed discussion of foreign policy issues during the election campaign, are his recommendations to bolster the role of multilateral institutions and particularly the United Nations. However, Mr Mortimer's emphasis on multilateral policing operations is unduly one-sided.

In this respect, Governor Clinton's stated recognition that, in an increasingly interdependent world, foreign policy concerns and domestic economic strength are inseparable, offers a far more hopeful message than Mr Mortimer's exclusive concern simply to double the number of hobbles on the (global) beat by enhancing the UN's military role. Indeed, Governor Clin-

ton's message echoes a long-standing recognition in large parts of the international community, including agencies, that global security is inseparable from economic and social development.

The urgency of forging an international economic perspective to match that likely to emerge from Washington in the coming months cannot be understated at a time of continued economic uncertainty in the world economy. What better way of matching the renewed activism in Washington than enhancing the multilateral economic structures already in place with a long-standing commitment to international co-operation, political pluralism and global economic development. Moreover, it is precisely through support to such institutions that Mr Mortimer's laudable ideal of a world citizen is most likely to be achieved. Richard Kozul-Wright,
Department of Economic and Social Development,
United Nations,
New York

Federalism designed to confuse

From Sir Gordon Paul Hediger.
Sir, There are two forms of federation principle which can be applied:

1) All powers, which have not been specifically retained by individual states, automatically are transferred to the central federal organisation.

2) All powers, which have not been specifically granted to the central federal organisation, remain with the individual states.

Which principle does Europe want to apply?

In the interests of clarity, many years ago, the Americans opted for the former, Switzerland for the latter.

From the declarations of Mr. Martin Bangemann, vice-president of the European Commission, contradicting Mr. Major, it would appear that Europe has opted for neither solution, which would seem to be a solid base for current and future confusion.

Gordon Paul Hediger,
managing director,
Custom Management,
22 Court Drive,
Stamton,
Middlesex HA7 4QH

Simple answers to restraining wage growth

From Mr David Layton.

Sir, I refer to Professors Layard and Bean's personal views ("Shut the stable door", November 4). I do not feel competent to argue about the macro-economics of wage push inflation and stop-go history, and do not propose to do so. If, however, one is looking for a simple policy to restrain pay growth, then I suggest that it is easier to get general agreement and effective action about the timing of increases rather than about their size.

Why not have a generally agreed recommendation, or guideline, to postpone all increases whenever they come up by three months without any backdating. In a situation of low inflation this delaying would not cause hardship and need not call for any complicated policing, but would have an important

effect. In a year, one could, perhaps, look afresh at the situation created and possible improvements to the simple process of modifying the intervals between settlements. David Layton,
Incomes Data Services,
193 St John Street,
London EC1V 4LS

From Mr John Woodthorpe.

Sir, Two cheers for Professors Layard and Bean for correctly identifying, first, inflationary wage awards as the basic problem of the British economy and, second, employers as the guilty party. However, their solution is neither far-reaching nor effective enough.

Quite apart from the public sector, the services sector - now the dominant sector in the economy - is notorious for no productivity improvement. In

industry, cutting out profligate excess manning hardly justifies pay increases for the remainder. Nowhere in the economy does labour have much, if any, impact on productivity. Instead, R&D, good design and new investment make the difference.

So, nipping wage inflation in the bud is critical. A way would be for the chancellor to announce that tax rates will be indexed to wage inflation, per cent for per cent, above achieved national productivity improvement.

A crude penalty, perhaps, for that small minority who achieve above-average productivity, but then drastic action is needed if I am not to see the pound worth a dollar or a D-mark in my lifetime. John Woodthorpe,
54 Eaton Place,
London SW1

OBSERVER

Forecasting the forecast

■ Deciding what numbers to extract from a forecast is, for the UK Treasury, as much a function of psychology as it is of correctly interpreting economic reality.

For this reason, just about everyone should be able to enjoy Observer's latest competition. This is to anticipate the Treasury's forecast which will be contained in Thursday's Autumn Statement.

In the past two years, official forecasters have sounded foolishly bullish in their predictions of growth and demand - not that they have been short of the company of City economists in their erroneous predictions. However, those infamous green shoots still stay stubbornly underground, and the need to calm the country ahead of an imminent general election has, for the moment, passed. How gloomy can the boffins afford to be?

Equipped with the latest City projections, and a mild bent for amateur psychology, readers are invited to fax, to 071-873-3926, their best attempts to get inside the Treasury mind.

Forecasts of the forecast should encompass the following economic indicators during 1993: growth in gross domestic product, in fixed investment, in consumer spending and in manufacturing output; the size of the current account deficit; and the year-on-year change in the retail prices index as measured in the fourth quarter.

Entries should arrive by noon on Thursday and a bottle of malt whisky awaits the set of numbers that most accurately reflects the official version of the near-term fate of the UK economy.

To encourage the new spirit

of glasnost inside the department, Observer extends a special invitation to the denizens of Great George Street to enter the contest themselves. It is, after all, possible that the numbers will be altered at the 11th hour.

Up the poll

■ A small problem of 200 per cent inflation faces members of Ireland's outgoing parliament who wish to stand for re-election. The deposit for candidates, which has stood at £10,000 since the 1920s, is going up to more than £200,000. Still, it might have been worse. Environment minister Michael Smith had wanted to up the ante to £250,000 until he bowed to opposition protests.

EC come, EC go

■ What is the Yorkshire Post doing for Europe? Furnishing the community with straight-talking PR men from the ranks of its past employees, it would seem. Following indications that former Downing Street press spokesman and strident Euro-sceptic Sir Bernard Ingham may be off to the European Commission to help improve its image, fellow Yorkshireman John Wright, head of press relations at the Central Statistical Office, reveals that he has decided to jump on to the Euro-bandwagon.

Wright, 49, is off to Luxembourg to take charge of press contacts at Eurostat, which co-ordinates statistics for all EC member states. Like Ingham, Wright worked on the Yorkshire Post, and while his private views on the European endeavour are not known, he does share something of his more famous former colleague's well-known incoherence.



"If they won't buy our wine, we won't buy their Stations"

While Sir Bernard gained notoriety through acting as Lady Thatcher's mouthpiece, Wright too has had to work in recent months for a sometimes unpredictable boss in the shape of Australian Bill McLennan, who took over as head of the CSO in March. McLennan, CSO officials say, actively encouraged Wright to seek glory on a broader plane. What does that mean?

In camera

■ In what could lead to the greatest turn-off of all time, the European Community is considering televising its ministerial meetings on such topics as the maximum net speed, torque and power permissible for two or three-wheeled vehicles. The proposal, intended to show that the EC is not a secretive power-hungry bureaucracy, is to be discussed by member countries' foreign ministers today - behind closed doors, of course.

Progress is likely to be delayed, however, not only by ministerial disagreements about how far to open up

community business to the public, but also because Brussels' diplomats are unaccountable. "If you open it all, you run the risk that people will simply play to the crowd all the time," said one of them. "Anything really important will be settled by telephone, in the corridors or, God help us, in the toilets."

Universal type

■ To anyone working outside the financial sector, job-titles in the City of London can often be not only bemusing but awesome. Where else, for instance, could people be arrogant enough to style themselves "heads of global custody"? So it's comforting to learn from Day Associates' latest pay-survey of London banks that the Square Mile still harbours one type of employee who can be found existing, as distinct from working, in organisations of all sorts throughout the world - the "position-keeper".

To the City's credit, such people seem unusually rare these days. Only 25 of the 111 banks surveyed employed them. Moreover, with an average salary of £13,468, they look to be less well paid just for being there than are their counterparts in other fields of work.

Lateral

■ Interviewing patients at a psychiatric nursing home, a researcher asked the first what was 3 times 3. "Friday," came the reply. Sighing, the interviewer called the next one and inquired what was 5 times 5. This time the answer was "138". When the third one responded to 4 times 4 with "15", the researcher brightened up. "How did you work it out?" he asked. "Easy," said the patient. "I just took Friday away from 133."

Probably The Best Accounting Software in the World

Who says SunSystems is the best?

SunSystems has received the recommendations of accountancy institutions around the world. Additionally, major industry experts continue to give SunSystems their endorsement.

(In fact, one of the leading computer publications has made SunSystems their 'Best Buy' 3 times in the last five years).

Who uses SunSystems?

SunSystems is used in 144 countries at over 7000 sites. Indeed, SunSystems has become the standard for some of the world's top corporations and financial institutions.

Why?

Quite simply, SunSystems has proved itself to be more than able to meet both their current and future requirements. They have chosen SunSystems because of its flexibility, user functionality and total hardware independence. And being available now in 12 languages, SunSystems really knows no frontiers.

Isn't it time you reviewed SunSystems for yourself?

To find out more about SunSystems, the world's best accounting software, simply clip your business card to the coupon or call Systems Union on 071-354 3131.

Name _____	
Company _____	
Position _____	
Address _____	
Postcode _____ Telephone _____	
I would like SunSystems on: IBM Mid Range <input type="checkbox"/>	
UNIX <input type="checkbox"/> DOS <input type="checkbox"/> PC or Network <input type="checkbox"/>	
Offices in London, Paris, Frankfurt, Glasgow, New York, San Francisco, Toronto, Sydney, Melbourne, Hong Kong. Agents around the world.	
PTW11 PT20-98	

from
Systems Union

SunSystems

Systems Union, Northampton Lodge, Concorde Square, London W1 2AN.
Tel: 071-354 3131. Fax: 071-354 6999.

Bitter debate on the borderline

Germany is reluctant to act over immigration, writes Judy Dempsey

GERMANY today commemorates Kristallnacht, when synagogues and Jewish businesses were ransacked by the Nazis in 1938. It also celebrates the collapse of the Berlin Wall in 1989.

However, any sober reflection of these two events has been smothered in an emotional and bitter dispute between the main political parties about how to deal with the rapid influx of refugees seeking asylum.

The debate is partly in response to the growing number of assaults by rightwing extremists on foreigners, as well as increased vandalism of Holocaust memorials. But it is primarily about the effect of unification of the two Germanys has had on the country's asylum policies.

"We now have an open border to the east," said an official at the Interior Ministry. "We have a border which stretches nearly

1,300km. It is impossible to guard this border. Those who cross, mostly from Romania, Bulgaria, and the former Soviet Union, are claiming political asylum. That is their right. We cannot turn them back. But many are coming here for economic reasons."

The number of people seeking asylum in Germany has swollen over the past three years, rising from 193,063 in 1989 and 256,112 in 1991, to 319,874 for the first nine months of this year.

The opposition Social Democratic Party reckons that if those such as refugees fleeing from what was Yugoslavia, ethnic Germans from eastern Europe and illegal immigrants are taken into account, nearly 1m people will have arrived in Germany by the end of the year.

The strain on the economy is growing, with the Interior Ministry estimating that shelter for

each refugee costs DM15,000 (more than \$6,000) a year.

Anyone can claim the right to asylum which is enshrined in article 16 of the Basic Law, or Constitution. Only about 5 per cent of applicants are successful, but it can take three or four years for cases to be dealt with.

About 30 per cent of those rejected under article 16 eventually claim asylum under the more liberal terms of the 1951 Geneva Convention.

Chancellor Helmut Kohl's Christian Democratic Union party, and the opposition SPD, are close to agreeing to amending article 16 in a way which would qualify the basis for refugee status. However, at last weekend's annual congress of the Bavarian-based conservative Christian Social Union, a junior partner in the coalition, it voted to restrict the right of asylum and of appeal,

echoing similar views held by the Republican party.

Whatever amendments are adopted, however, many believe it amounts to a temporary measure because the government – and the opposition – remain reluctant to address the fundamental issue: the absence of any immigration legislation.

Government officials, so far, have ruled out any such law. "If we had a quota system, we would no longer be an open country. Our 1949 constitution would be undermined. Quotas, or any form of selecting immigrants would recall the Nazi period," a ministry official said. Nor does Germany want to be seen as a country for would-be immigrants.

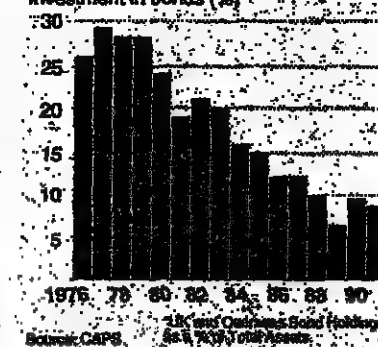
Instead, the government may judge the issue by amending the constitution and relying on Brussels to restrict the European-wide flow of refugees.

THE LEX COLUMN

Dividend deficit

UK pension funds

Investment in bonds (%)



AT&T could apply for a third or throw in its lot with either of the existing licensees. PCN is expensive to establish, but offers high capacity immediately, so these networks will be driven to offer low prices to attract high volumes, undermining the existing networks' margins. If AT&T were prepared to take a long view, it might favour this approach.

Of course, another way into the UK market for AT&T would be to buy Vodafone. Indeed, the price it was prepared to pay for control of Vodafone makes Vodafone look cheap: hence the latter's price rise last week. However, AT&T would have to pay well over \$4bn for Vodafone, while a PCN network might cost only \$1bn to build. The marketing budget needed to establish PCN is unlikely to cost anything like the difference. Vodafone is currently trying to broaden its base in the UK while retaining its profitable customers. It may also be interested in expanding into Europe, but is equally likely to run into AT&T there. In the long run, Vodafone's exceptional returns will fall victim to the tide.

German banks

German banks are gaining ground in their battle with the authorities over new capital requirements due to come into force from January 1. Until recently, the federal supervisors have been pressing for a minimum tier 1 capital ratio of 5 per cent for banks which wanted to count revaluation reserves on their securities holdings towards tier 2 capital. Last week, they appear to have quietly shifted to a 4 per cent minimum while still allowing banks to count revaluation reserves for up to a quarter of the tier 2 requirement.

Provided the authorities stick to this

line, German requirements will not exceed the standards applying under international and European Community rules. The resulting level playing field matters more to most institutions than the actual level of the tier 1 requirement in the short run. Most could meet a 5 per cent requirement with the possible exception of Commerzbank with its exposure to Russian, Olympia and York and Haffnia.

Admittedly Deutsche and BHF Bank would probably be the only large banks comfortable with a 5 per cent ratio. Others such as Dresdner and the Bavarian banks would not have much room for balance sheet growth. By insisting on 5 per cent, the authorities risked compounding the German slowdown by constraining banks' capacity to lend. But it is not as if a 4 per cent requirement would do much to stem the regular flow of bank share issues. A low return on equity and high payout ratios have long stymied German banks' ability to build capital through retained profits.

Amstrad

Mr Alan Sugar's £113m bid for the 65 per cent of Amstrad he does not already own equates almost exactly to the cash in the company's last balance sheet. Since much of the cash for the offer is being lent or guaranteed by the company, shareholders have every right to feel short-changed. In other circumstances it would certainly be worth pressing for a better price. Yet Mr Sugar maintains there is nothing more available – presumably because Amstrad cannot afford to lend him more. His scheme is perfectly legal, but it is more than disquieting to see the company lending the chief executive cash to buy its shares.

The offer also raises old worries about the ethics of management buy-outs. The terms certainly look generous compared to the 19p share price before the intention to take the company private was announced. But then Mr Sugar was in the privileged position of knowing whether that price fairly valued the company. Amstrad will not pay a dividend for the foreseeable future if it remains a public company, but Mr Sugar will repay the bank out of dividends if the deal goes through. With no prospect of an outside bid, and the unpalatable alternative being to live with a disgruntled Mr Sugar, investors may just be glad to see the back of Amstrad. Mr Sugar's legendary antipathy towards the City must by now be fully reciprocated.

Tory party rebellion over treaty resurfaces

By Ralph Atkins

FRESH Conservative party skirmishing over Europe broke out yesterday, testing the authority of UK prime minister John Major amid continuing confusion over when Britain will complete ratification of the Maastricht treaty.

As the prime minister faced calls from the Tory right-wing for a Cabinet reshuffle, Mr Malcolm Rifkind, defence secretary, appeared to retreat on a concession offered last week to Eurosceptic MPs.

He suggested on BBC Radio that the Commons' consideration of the Maastricht bill and the Danish referendum were "not interdependent".

However, Downing Street again said it regarded May as the most likely time for the Danish poll and that would coincide with the Commons third reading of the ratification legislation.

The Maastricht bill would then go to the House of Lords in time to complete all parliamentary stages by next October or November. Underlining the conflicting pressures on Mr Major, the apparent delay – even if watered down – has angered the pro-European wing of the party and dismayed Foreign Office ministers.

Mr Ray Whitney, Tory MP for Wycombe and prominent Europe enthusiast, said: "We are all less happy than we would have been and we do have a problem."

Mr Peter Temple-Morris, Tory MP for Leominster, said the delay would make the Danes "feel stronger than they actually are". However, an equally ferocious warning not to be covered by pro-Europeans will come on Thursday when Mr Major addresses the 60-strong Thatcherite "82 group" of Tory MPs.

Senior 82 members are calling for the promotion of right-wing ministers such as Mr John Redwood, local government minister, to replace the more pro-European Mr William Waldegrave, public services minister. Mr Tony Newton, leader of the Commons, and Mr John Gummer, agriculture secretary. They are also calling for Mr Kenneth Clarke, the home secretary, to be "reigned in".

One 82 member who spoke publicly yesterday, Mr John Carlisle, Tory MP for Luton North, said: "We have a centre-left Cabinet and a centre-right parliamentary party... The prime minister should have an early opportunity to redress that balance and have a Cabinet more representative of popular and party opinion."

Some right-wingers regard concessions by Mr Major as a quid pro quo for their helping him avoid defeat after last Wednesday's Maastricht debate. But these are likely to inflame the Tory party's internal rows. One loyalist MP said "this is crazy, we must not allow this to go on".

Mr George Robertson, a Labour party foreign affairs spokesman, said the prime minister was "impotent", with his "twisting and turning complicating and worsening all the stresses and tensions which threaten Europe's ability to solve its deep troubles."



Taking aim: Bill Clinton relaxes on the golf course before getting to work on an economic crisis plan

Clinton summons business leaders

Continued from Page 1

for the incoming administration. However, Mr Mitchell said he would oppose Mr Clinton's request for a line item veto to reduce the budget deficit, enabling Mr Clinton to delete specific programmes without being forced to reject

the entire budget package. Senator Robert Dole, the Senate minority leader, has promised to "chaperone" the administration's expected honeymoon with Congress. But he said he would support the line item veto, which had been demanded by Mr Bush, and health care reform.

Mr Timothy Ryan, who has

overseen the clean-up of the US savings and loan industry for more than two years, will officially announce his resignation as director of the Office of Thrift Supervision today. Reuters reports from Washington. His departure gives Mr Clinton a clean sweep of top financial regulatory slots in Washington.

Norway's ruling party backs EC membership application

By Karen Fosell in Oslo

NORWAY'S ruling Labour party voted yesterday to apply to join the European Community, although the electorate remains firmly opposed to membership.

The party's conference in Oslo voted 133 to 106 in favour, a smaller majority than expected. Opposition came mainly from northern delegates, who said their primary source of income, fishing and farming, would be threatened by closer ties to Brussels.

Mrs Gro Harlem Brundtland, the prime minister, plans to deliver a fresh application for membership this month. This would enable Norway to negotiate membership alongside Sweden and Finland, which Mrs Brundtland argues is crucial to get the best deal possible from Brussels.

Norway has applied three times for EC membership. It was blocked by France in 1960 and 1962; its third application was accepted, but the electorate rejected membership in 1972 in a bitterly divisive referendum dominated by opposition from the fishing and farming communities.

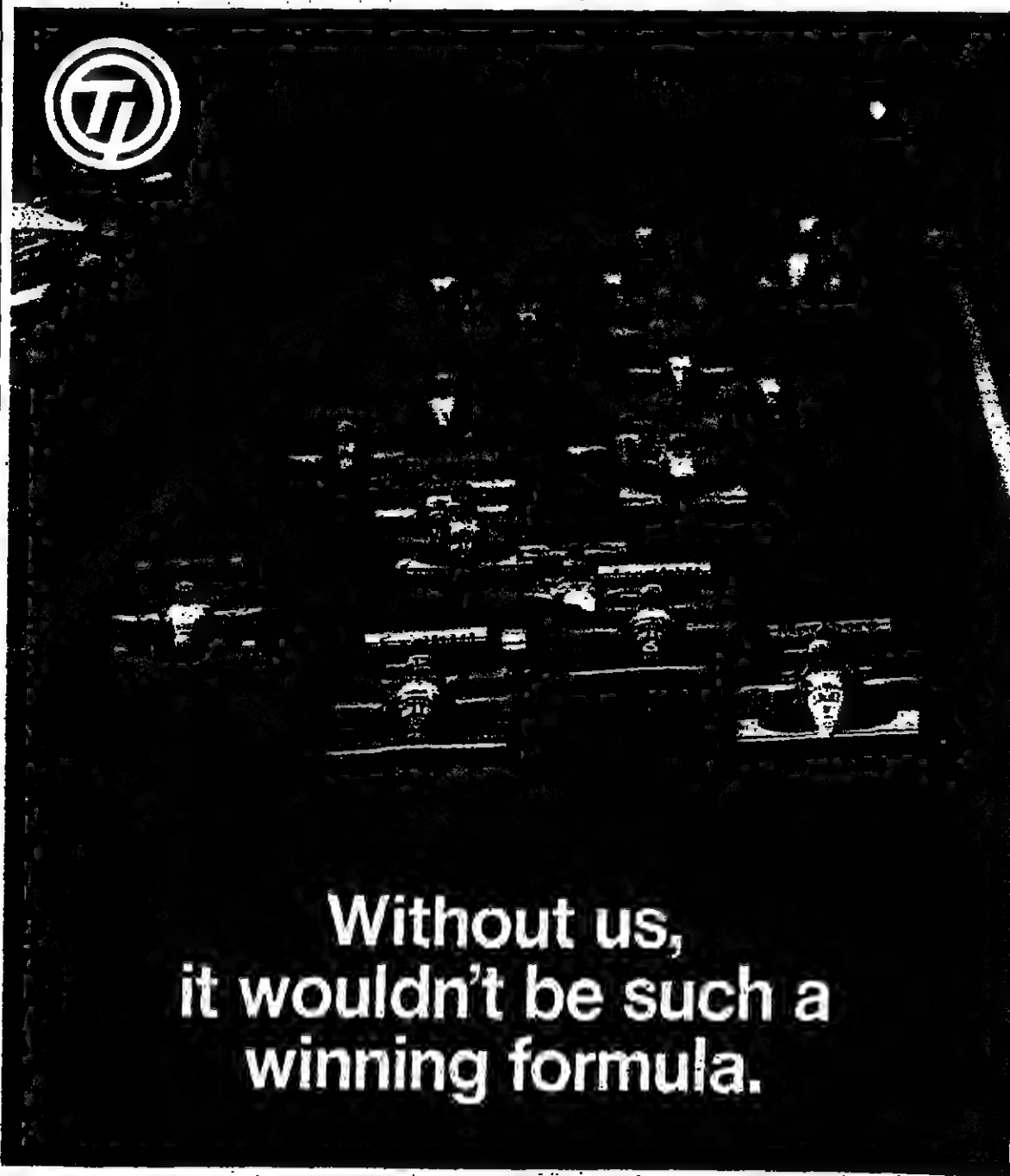
The electorate would vote even more heavily against membership if a referendum took place today, according to a poll published yesterday in Dagbladet newspaper. The poll put opposition at a record 55 per cent, compared with 53 per cent in October and 53.5 per cent in 1972. Only 35 per cent were in favour of joining. A new referendum is likely in 1995.

Yesterday's resolution was nearly overshadowed by the decision on Friday night of Mrs Brundtland to resign as Labour's

leader after almost 12 years for family reasons although she remains prime minister. The timing of the decision shocked the party's 300 conference delegates into putting aside internal tensions over Europe.

The party voted unanimously to appoint Mr Thorbjørn Jagland, a pro-European, to succeed Mrs Brundtland. To help win support from the north, Mrs Hilma Solberg, a mayor from north Norway, was elected joint deputy leader alongside Mr Jens Stoltenberg, leader of the Oslo Labour party contingent and son of foreign minister Thorvald Stoltenberg.

The party's endorsement of EC membership has swung the parliamentary balance in favour of joining. At least 100 out of 165 MPs are expected soon to vote in support of the new membership application.



Without us,
it wouldn't be such a
winning formula.

TI Group companies regularly face critical challenges on the Formula 1 circuit. And lap them up. Vial to the water pump systems of engines that power to victory, the mechanical seals made by John Crane International are able to withstand pump speeds approaching 10,000rpm. Dowry Polymer Engineering seals, designed and manufactured to meet individual client specifications, can cope with surface speeds of up to 100m per second and temperatures up to 260°C. Tiflex's stainless steel braided Teflon® brake lines save weight, allowing greater speeds, yet still give a firm pedal feel at over 200mph.

Their critical tolerances are exact enough to match any formula, including One.

Without them, Formula 1 cars wouldn't have such a great track record.

TI Group

We get the critical answers right

For further information about the TI Group, contact the Department of Public Affairs, TI Group plc, Lambourn Court, Abingdon Business Park, Abingdon, Oxon OX14 3LN, England.

World Weather		°C	°F	°C		°C	°F	°C		°C	°F
Boulogne	C	12	54	Frankfurt	D	9	48	Málaga	S	20	68
Brussels	F	12	54	Geneva	Fo	7	45	Malta	S	19	66
Budapest	F	11	52	Gibraltar	S	16	61	Mexico City	S	22	72
Agadiz	S	19	66	Guangzhou	Dr	5	41	Miami	C	21	68
Algiers	F	21	70	Helsinki	S	9	48	Manila	F	20	68
Amsterdam	S	12	54	Hong Kong	S	23	73	Maracaibo	S	24	75
Athens	S	21	70	Jakarta	F	6	43	Moscow	C	22	72
Bahra	S	30	86	Johannesburg	F	9	48	Mumbai	C	22	72
Bangkok	F	33	91	London	F	11	52	Nairobi	C	22	72
Barcelona	S	20	68	Los Angeles	C	15	59	Rangoon	C	22	72
Beijing	S	9	48	Madrid	C	14	57	San Francisco	C	12	54
Belfast	C	11	52	Manila	F	20	68	Singapore	R	28	82
Bombay	S	21	70	Medan	C	22	72	Sofia	C	12	54
Buenos Aires	S	12	54	Mexico City	S	22	72	Stockholm	C	12	54
Calcutta	S	21	70	Moscow	C	22	72	Strasbourg	C	9	48
Cairo	S	21	70	Mumbai	C	22	72	Sydney	S	22	72
Canton	S	21	70	Nairobi	C	22	72	Taipei	F	23	73
Cebu	S	21	70	Rangoon	C	22	72	Tel Aviv	S	23	73
Chengdu	S	21	70	San Francisco	C	12	54				
Chongqing	S	21	70	Singapore	R	28	82				
Copenhagen	S	9	48	Sofia	C	12	54				
Dallas	C	11	52	Stockholm	C	12	54				
Dar es Salaam	S	21	70	Strasbourg	C	9	48				
Delhi	S	21	70	Sydney	S	22	72				
Dhaka	S	21	70	Taipei	F	23	73				
Dublin	C	11	52	Tel Aviv	S	23	73				
Durban	S	21	70								
Düsseldorf	C	11	52								
Edinburgh	C	11	52								
Geneva	Fo	7	45								
Hankow	Dr	5	41								
Hong Kong	S	23	73								
Jakarta	F	6	43								
Johannesburg	F	9	48								
London	F	11	52								
Los Angeles	C	15	59								
Madrid	C	14	57								
Manila	F	20	68								
Maracaibo	S	24	75								
Moscow	C	22	72								
Mumbai	C	22	72								
Nairobi	C	22	72								
Rangoon	C	22	72								
San Francisco	C	12	54								
Singapore	R	28	82								
Sofia	C	12	54								
Stockholm	C	12	54								
Strasbourg	C	9	48								
Sydney	S	22	72								
Taipei	F	23	73								
Tel Aviv	S	23	73								

هكذا من الأهل

الجزيرة

NOMURA
Local Commitment
Global Capacity
Nomura International plc, Nomura House
1, St Martin's-le-Grand, London EC4A 3NP
Telephone: 071-236 8811 Telex: 883119
Member of SFA and ISF

FINANCIAL TIMES
COMPANIES & MARKETS

Monday November 9 1992

brother
TYPEWRITERS
WORD PROCESSORS PRINTERS
COMPUTERS COLOUR COPIERS FAX

INSIDE

Munich Re trims reinsurance losses

Losses in mainstream reinsurance business were reduced only slightly from the high levels of last year, Munich Re reported, although income from capital investments enabled the group to improve overall profits substantially in the year ended June, 1992. Page 15

Conthe's debt challenge

Mr Manuel Conthe, director-general of the Spanish Treasury, sees reopening of the primary market for medium and long-term debt as an important challenge. Spain suffered from currency speculation which hit Europe's weaker members in September, but Mr Conthe believes stability has returned. Faced with a growing deficit and a tough repayment schedule, he wants to start issuing three, five and 10-year bonds again. Page 16

Allied-Lyons alters course



Allied-Lyons' decision to sell Chateau Latour (above), one of the four leading Bordeaux vineyards, reflects the new head's management strategy designed to restore City of London confidence in the drinks, food, and retailing group, after the £147m (\$227.8m) currency trading debacle early last year. Page 14

No surprises for US bonds

News of Governor Clinton's impending pre-election had a muted effect on US bond markets last week. In fact, it seemed more likely that the regular monthly employment figures had more impact overall. But in large part, the lack of reaction on Wednesday simply reflected lack of surprise. Page 17

Refinancing a binge

Refinancing the Japanese equity warrant binge of the late 1980s may cause less of a log-jam in the public capital markets than expected, if experience so far is any guide. The crunch year, though, will be 1993 when about \$75bn of such issues mature. Page 17

Market Statistics

Base lending rates	23	London share-price	23-25
FT-100 index	23	Managed fund services	19-23
FTSE-100 index	23	Money markets	22
Foreign exchange	16	New UK bond issues	17
London recent issues	23	World stock index	18

Companies in this issue

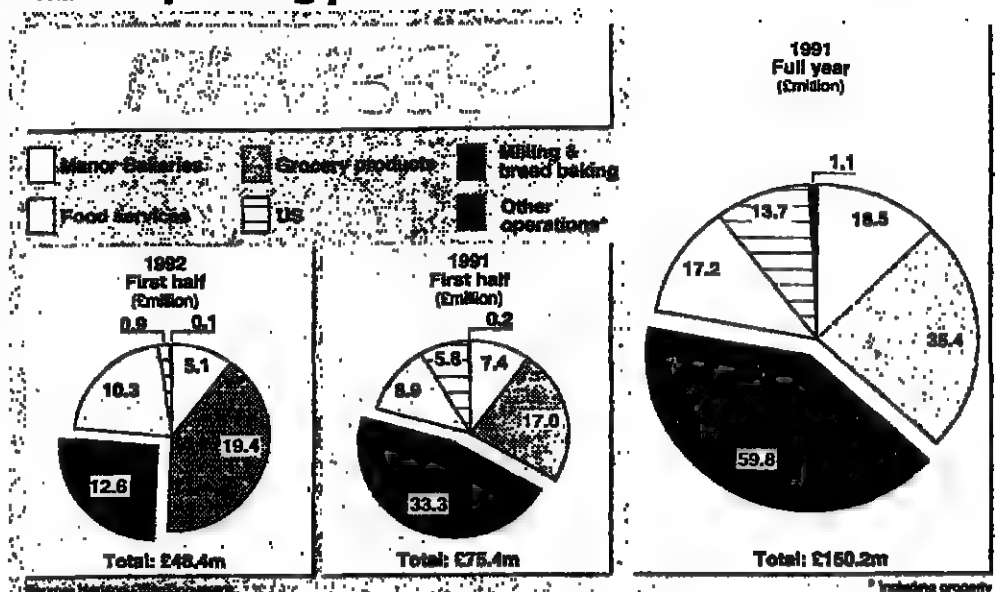
Age	15	Molson	18
Allied-Lyons	14	Munich Re	15
BA	14	Nippon Yusen	18
CAE Industries	16	OMV	16
Carl Schenck	14	Pegasus	14
Continental Airlines	13	RHM	13
Critchley	13	Royal Trust	13
Deimler-Benz	15	Shougang Corp	18
Elia	15	Seangyong Motor	18
Emap	14	Takeda Chemical	18
GPA	14	Tomkins	18
Hawthorne Press	14	Tokai	18
Harland Simon	14	Yamaha	18
Kao Oil	15	Yongal Carpets	14

Searching for the right recipe

By refusing last week to raise its offer for RHM, the UK baking and grocery group, Hanson has left Tomkins, its smaller rival bidder, free to show whether the formula it has applied to businesses such as bicycles, handguns and valves can also work in food.

Guy de Jonquières and Richard Gourlay on Tomkins' options for reviving RHM

RHM's operating profits



However, it will be difficult quickly to write higher returns from its mixed bag of branded businesses. Of these, probably only the Sharwood's chutney and condiments range enjoys a really strong position in a fast-growing sector. But although highly profitable, Sharwood's had sales of only £32m last year.

Others, such as Saza salt, Atora stout, Paxo stuffing and McDougalls flour, are brand leaders, but in mature or declining sectors, while Bisto gravy and Mr Kipling cakes and pastries face increasingly powerful competition, both from branded manufacturers and supermarkets' own-label products.

One dilemma about owning such a diverse stable of small niche brands is the wide spread of advertising and marketing support. Many other food manufacturers have found it more profitable to concentrate on selected areas of strength.

Bronfmans battle to restore market confidence

By Bernard Simon in Toronto

THE industrial, property and financial services empire controlled by Toronto's Bronfman family is battling to shore up investor confidence following a sharp decline in share prices of companies within the group.

Several Bronfman companies as well as their main lender, issued a barrage of denials on Friday to counter rumours that they are in severe financial difficulty.

Pressure on the Bronfman shares is said to have come from short-sellers in the US. A Bronfman group spokesman also linked the rumours to recent developments among other families which dominate much of Canadian business.

Property and financial services markets have been unsettled since the collapse last May of Olympia & York, controlled by the Reichmanns. Last Thursday, the Thomson family, controlling shareholders of Thomson Corp, the international travel and publishing group, said it had raised C\$45m by selling a large chunk of its stake in Hudson's Bay Co, Canada's big-

Three years ago today, the Berlin Wall came down. But all the implications of that momentous event are only slowly becoming apparent.

It is debatable, for example, whether the US electorate would have chosen Governor Bill Clinton as the next president if communism and the Cold War were still alive.

Even staunch pro-Europeans can question the wisdom of the European Community countries turning inward and expending vast efforts first to ratify and then implement the Maastricht treaty. The particular vision of European union that grew out of the Hanover European summit in June 1988 is difficult to reconcile with the challenges facing Europe since the disappearance of the Iron Curtain.

The economic development of eastern Europe has been a sobering experience. Governments and peoples have found the going harder than anticipated. Many free market missionaries who set off for Warsaw, Prague and points east with high hopes of profit and glory have returned chastened.

It is not surprising, therefore, that the economic problems of eastern Europe and the former Soviet Union feature strongly among this year's Amex Bank Review Awards for new writing on current economic and financial issues.

What is interesting is a new sobriety among the winners of this, the sixth annual Amex essay competition, where eastern Europe is concerned.

The award-winning essays (the order of the prize winners will be announced later today) suggest a broad consensus that market forces alone are not enough to overcome the legacy of communism.

Professor Richard Rose of the University of Strathclyde makes a powerful case that the achievement of sustained growth and western levels of consumption and social benefit in eastern Europe requires a

Sober views of the legacy of communism

"civil economy" in the region. Prof Michael Dooley and Mr Peter Isard, respectively of the University of California, Santa Cruz, and the International Monetary Fund, argue that special care must be given to institutions, incentives and planning if the former communist states are to be turned into market-based economies.

Professor Rose says that in some aspects of policy-making - such as taxation - the former communist countries can learn more from the newly industrialising countries of Asia than the mature western economies. But more important is his question: Are east

respect for the power of markets to help countries in transition join the rest of the world in the benefits of market-oriented institutions, we see great danger in overlooking the non-market institutional structure upon which markets depend," they write.

The successful transformation of eastern Europe will require reforms of what they call the economic "woodwork" - employment contracts, banking regulations, bankruptcy laws, payments systems and such like - "that typically receive little attention in discussion of macroeconomic policy design". Otherwise, the east European economies could face economic hardship, including high unemployment and inflation, and political instability.

As another Amex prize winner, Prof Sweder van Wijnbergen of the University of Amsterdam and the London School of Economics, says: "Eastern Europe is not well served with straight textbook advice."

The conclusion to be drawn from the essays is that pragmatism and flexibility in policy-making are required before Adam Smith's invisible hand can be left to get on with its work.

That is a big change in attitudes. If the Amex essays are a guide, experiences in eastern Europe in the years ahead could hasten the swing from dogmatic support for free market ideals in Britain and the US.

Continental Airlines bid decision due today

By Nikki Tait in New York and Bernard Simon in Toronto

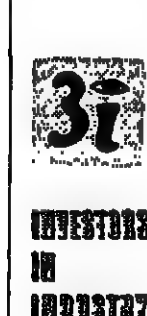
THE outcome of a bidding contest for Continental Airlines, the fifth-largest US carrier which has been operating under bankruptcy court protection since late-1990, is expected to be announced today. Board members met over the weekend, and are due to present the winning proposal to the bankruptcy court today.

Only two groups are known to have submitted proposals in the final round of the auction: Air Canada, in conjunction with Air Partners, a Texan investment partnership, and Mr Charles Hurwitz's Maxxam consortium, which includes Aeromexico, one of the largest Mexican carriers. By late yesterday, Air Canada and representatives of Air Partners were still waiting to learn of Continental's decision.

"We haven't heard anything," said Mr John Ricketts, Air Canada's finance director. He said the airline expected to know the outcome this morning. Air Partners also said there had been no word from Continental.

The Maxxam-led offer opened the bidding for Continental in early July, when the chairman of the Houston-based natural resources group, Mr Charles Hurwitz, presented a \$360m investment plan to the airline, giving his consortium a 72 per cent stake in the carrier once it emerged from bankruptcy.

In October, this offer was improved when Aeromexico and other Mexican investors joined the consortium.



This announcement appears as a matter of record only

Prontaprint!
PUBLIC OFFER FOR
CONTINUOUS STATIONERY P.L.C.
BY
A COMPANY FORMED FOR
THE MANAGEMENT LED BUY-OUT

Campbell Lutyens Hudson & Co. Ltd

advised Prontaprint, made the offer and arranged finance totalling

£11,700,000

Equity and subordinated debt led by

3i plc
and provided by

3i Group plc
ECI Capital Partners

Term and working capital debt arranged and underwritten by

Samuel Montagu & Co. Limited

3i Group plc and 3i plc are regulated in the conduct of investment business by SIB

Economics Notebook

By Peter Norman

European economies in transition moving toward a civil or uncivil economy.

By a civil economy, he means one based on the rule of law. It is not enough to have free elections and introduce a private sector by dismantling the controls of the command economy so that individuals can freely buy and sell goods.

"A market also requires the enforcement of laws." Reformers must ensure that the state legislates property rights, sees contracts are enforced, creates an effective tax system and maintains public order so enterprises can invest with security.

Western-trained experts may not provide the best advice in

COMPANIES AND FINANCE

Hard look in the 'right direction'

ALLIED-LYONS' decision to sell Chateau Latour, one of the four leading Bordeaux vineyards, reflects the new hard-headed management strategy designed to restore City confidence in the drinks, food, and retailing group, after the £147m currency trading debacle early last year.

Just a year ago, Mr Michael Jackman, newly-installed as chairman, described Latour as "the jewel in the crown" of Allied's brands, suffusing the group's entire drinks portfolio with its reputation for quality.

But Latour's prestige value has now been weighed against the 3-4 per cent return on the capital tied up in the Medoc estate and found wanting.

When the market spotlight turned on Allied after the currency loss, it was widely seen as a group with strong but underperforming assets.

It had one of the best-balanced portfolios in the international drinks industry, dominant niche positions in the food industry, a solid base in UK brewing, and large scale retailing operations. Yet since the late 1980s, growth in earnings per share and return on assets had failed to keep pace with the progress of rivals Guinness and Grand Metropolitan.

The City looked to the new management team in July last year for a strategy that would improve operating performance and prise more cash out of the business.

Mr Jackman, and Mr Tony Hales, chief executive, promptly set out to achieve

Philip Rawstone reports on Allied-Lyons' quest to squeeze more growth out of its many assets

those objectives by narrowing the focus of the group's operations, cutting costs and concentrating resources on brands with international growth potential and strong market positions.

Eighteen months on, Allied's progress has been sufficiently promising to persuade most industry analysts to predict that the group's profit growth over the next three years will outperform the rest of the drinks sector. Its shares are generally rated a strong hold or buy.

Allied has brought new blood into the boardroom - Peter Macfarlane, finance director, from Rolls Royce, and non-executive directors, John Robb, chief executive of Wellcome, and Miles Rivett-Carnac, deputy chairman of Barclays.

The group has been restructured into four divisions: spirits and wine, retailing, brewing and wholesaling, and food manufacturing.

In each sector, peripheral businesses have been sold and acquisitions made to strengthen core operations.

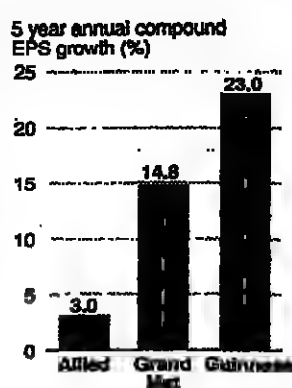
The biggest changes are taking place in brewing with the £500m merger of Allied's breweries with Carlsberg's UK lager business.

The deal, still awaiting final approval from the Monopolies and Mergers Commission after 18 months, will form the third largest brewing group in the UK with a turnover of £1.1bn

(£8.15m) and earnings per share emerged at 7.5p (15.9p). Cash balances at July 31 stood at £2.62m (£3.27m). In addition, the group received £1.7m in cash in September from Delux Corporation as consideration for the sale of 25 per cent of the share capital of Stockform.

A second interim dividend of 3.5p makes 7p (12.1p) for the 12 months. A final dividend is "anticipated".

Youghal Carpets
Youghal Carpets went further into the red in the half year ended July 5, reflecting lower



Source: Media Group

and about 18 per cent of the market.

When it goes through, the merger will also remove £136m of debt from Allied's books.

The wines and spirits division, which accounts for 50 per cent of group trading profits, has sold one of the founding businesses, Showerings cider and VFW British wine, to a management buy-out group for £140m, and disposed of several local whisky brands.

Allied exchanged its Centenario Spanish brandy business for more shares in Domecq, a joint venture partner which has helped to build its business in Spain and will be important to future growth in Mexico and South America.

Acquisition of a 94 per cent stake in Champagne Lanson strengthened the international brands portfolio; and investments have been made in the

turnover, higher operating losses and exceptional charges. The group is based in Ireland but 75 per cent of sales are made in the UK.

Pre-tax loss for the period was £2.17m, or £2.35m, against £1.69m. Reorganisation costs this time accounted for £121,000.

Turnover fell 6 per cent to £222m (£233.4m) reflecting the depressed UK market and a slow down in Ireland. Operating losses were up from £280,000 to £297,000.

The benefits of cost savings offset the lower volumes to produce an overall operating

European distribution network.

Retailing in the UK has had to contend with the MMC-enforced disposal of pubs in the midst of a recession. Allied has sold 1,350 pubs and leased another 950, including 734 to Brent Walker. Its tied estate, in which it has invested £515m in the past four years and which contributed 25 per cent of profits last year, now comprises 4,400 outlets.

Acquisitions have extended the Victoria Wine chain to 950 outlets. The expansion of international franchise operations has been driven hard. Dunkin' Donuts now has 2,900 outlets, and Baskin Robbins, with 3,500 ice-cream stores, is building factories in Russia, Korea and Thailand.

The food division, accounting for 15 per cent of profits last year, sold Lyons Maid ice-cream in the UK and Saporio confectionery in Italy; but reinforced its bakery and ingredients operations in the US and Europe with add-on acquisitions. Tetley's round teabags have been pushed into more overseas markets.

Across the entire group, the search for cost savings and efficiency gains has been vigorously pursued. Last year, Allied's workforce was reduced by 6,000 and operating profit per employee rose 8 per cent. Productivity in the brewing business improved by 9 per cent.

All this intense activity has

resulted for UK activities in line with the previous year.

Lower consumer demand in Ireland affected volumes and margins leading to a deterioration in the trading performance. Short time working also affected the result.

Losses per share came to 4.23p (3.8p).

BDA still in profit
BDA Holdings, architects, consultants and property developers, has stayed in profit, making £6,000 pre-tax for the half year ended July 31 1992.

Mr Brian Duker, chairman,

begun to establish a solid platform from which the bid for higher growth can be launched.

Marketing expenditure, which last year totalled £268m, has been increased and is being concentrated behind fewer brands: international spirits such as Ballantine's Scotch whisky, Beefeater gin, and Courvoisier cognac; Tetley tea; Tetley beer and Castle-maine lager; and Dunkin' Donuts and Baskin Robbins.

Regional councils have been set up to ensure that synergies across the range of businesses are exploited and opportunities for growth identified in world markets.

With 57 per cent of its profits earned in the UK, and 23 per cent in North America, Allied is targeting the markets of the Pacific Rim and Central and South America. Extra impetus is being given to its alliances with Suntory and Domecq, and its 48 other joint ventures around the world.

Not until hard numbers emerge can the success of the group's aggressive drive be judged; but the market agrees it is going in the right direction. Some industry observers suggest that, if Allied is to maintain long-term momentum, it will have to make significant acquisitions to its spirits and food operations.

Allied's cash resources are likely to be tight - "but if the opportunity for a major acquisition arises," says Mr Jackman, "we shall not be frightened to go and ask our shareholders for the money."

Earnings per share were 0.08p (0.04p).

The marketing of the two remaining areas of office accommodation at Chiswick and Uxbridge continued, the chairman said.

Enlarged Critchley rises 27% to £1.28m

By Paul Taylor

CRITCHLEY Group, the electrical cable accessories manufacturer which is seeking a stock market listing through a share placing later this month, yesterday reported higher interim profits.

At the pre-tax level they rose by 27 per cent to £1.28m on turnover 23 per cent ahead at £11.5m. Fully diluted earnings worked through at 8.4p.

The figures for the six months to end-September included a contribution from EPC Identification Systems, a US-based company which was acquired at the start of April.

Mr Ian McCallum, chief executive who led a £4.5m management buy-out of the company backed by a consortium of five institutional investors in 1984, said the interim results "show that sales and profits are strongly ahead" and the business continues to expand.

The group also issued its pathfinder prospectus yesterday ahead of the placing which is designed to raise up to £15m, valuing the Stroud-based concern at about £25m.

Harland Simon sale to German company

By Paul Taylor

HARLAND SIMON'S UK-based automation systems business has been sold by its joint administrative receivers to Carl Schenck, the German engineering group specialising in the design and production of high precision equipment for use in the industrial sector.

Harland was placed in receivership by its bankers two weeks ago after its proposals for a financial restructuring were turned down. The company's problems began in February when it issued a profits warning, leading to a slump in the share price. In the wake of the resignation of its former chairman, Mr Roy Ashman, the group announced pre-tax

losses of £6.32m in the year to March 31.

Schenck's UK subsidiary has acquired Harland Simon Automation Systems which was part of the group's core automation division. The division, which also included Buteil Holdings, a supplier of North Sea drilling rig controls, and two US operations, posted a £189,000 pre-tax loss before exceptional items on sales of £24.7m in the latest full year.

Commenting on the sale Mr Nick Lyle, one of the two Touche Ross joint administrative receivers, said Schenck should be well placed to provide Harland Simon Automation Systems with "the financial and commercial stability which is required."

Emap sets up joint venture

By Raymond Snoddy

EMAP, the publishing and exhibitions group, and Hachette Groupe Presse have set up a 50-50 joint venture in the UK to develop four magazines bought from Mr Rupert Murdoch's News Corporation.

Three of the magazines, Ella, Sky and Elle Decoration, are owned by Hachette, the French

media group. Emap is putting New Woman into the joint venture.

The deal, which involves Emap contributing an undisclosed sum of money, is a significant expansion of the British company's interests in the women's magazine market.

Hachette publishes 18 editions of Ella and 11 editions of Elle Decoration.

CROSS BORDER M&A DEALS					
BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT	
Minorco (Luxembourg)	Olympic Dam (Australia)	Mining	£284m	BP sells 49% stake	
Hoag Leong (Singapore)	Gloucester Hotel (UK)	Hotels	£87.5m	Bank selling for cash	
First National Bank of South Africa (SA)	Henry Ansbacher (UK)	Banking	£60m	Better deal for minorities	
Standard Bank Investment Corp (SA)	African operations of ANZ Grindlays (Australia)	Banking	£25m	Stimic growing again	
Venezolana de Pulpa (Venezuela)	Calgar (Canada)	Pulp Milling	£11m	Power Corp sells its half	
PepsiCo (US)	Best Foods (Greece)	Snacks	£10m	PepsiCo further Greek expansion	
Tokyo Seimitsu (Japan)	Silicon Technology (US)	Semiconductors	£9m	Part of trend	
AT&T (US)	Norfolk Finance (UK)	Vehicle Hire	£7.4m	Ireland's Fitz-willson sells	
KCI Paints (UK)	Master Distributions (France)	Paint	n/a	Buying trade network	
National Westminster Bank (UK)	Burns Fry & Futures (US)	Banking		US Fed approves	

Pegasus falls by 61% to £655,000

Shares of Pegasus Group, the USM-quoted designer of computer software, fell 13p to 117p on Friday while revealing a fall in pre-tax profits from £1.67m to £866,000 for the year ended July 31.

The company has changed the year-end and figures for the 17 months to end-December will be announced in March. Turnover declined to £7.58m

(£8.15m) and earnings per share emerged at 7.5p (15.9p). Cash balances at July 31 stood at £2.62m (£3.27m). In addition, the group received £1.7m in cash in September from Delux Corporation as consideration for the sale of 25 per cent of the share capital of Stockform.

A second interim dividend of 3.5p makes 7p (12.1p) for the 12 months. A final dividend is "anticipated".

Youghal Carpets
Youghal Carpets went further into the red in the half year ended July 5, reflecting lower

turnover, higher operating losses and exceptional charges. The group is based in Ireland but 75 per cent of sales are made in the UK.

Pre-tax loss for the period was £2.17m, or £2.35m, against £1.69m. Reorganisation costs this time accounted for £121,000.

Turnover fell 6 per cent to £222m (£233.4m) reflecting the depressed UK market and a slow down in Ireland. Operating losses were up from £280,000 to £297,000.

The benefits of cost savings offset the lower volumes to produce an overall operating

turnover, higher operating losses and exceptional charges. The group is based in Ireland but 75 per cent of sales are made in the UK.

Pre-tax loss for the period was £2.17m, or £2.35m, against £1.69m. Reorganisation costs this time accounted for £121,000.

Turnover fell 6 per cent to £222m (£233.4m) reflecting the depressed UK market and a slow down in Ireland. Operating losses were up from £280,000 to £297,000.

The benefits of cost savings offset the lower volumes to produce an overall operating

turnover, higher operating losses and exceptional charges. The group is based in Ireland but 75 per cent of sales are made in the UK.

Pre-tax loss for the period was £2.17m, or £2.35m, against £1.69m. Reorganisation costs this time accounted for £121,000.

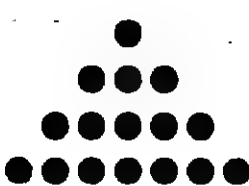
Turnover fell 6 per cent to £222m (£233.4m) reflecting the depressed UK market and a slow down in Ireland. Operating losses were up from £280,000 to £297,000.

ANNOUNCEMENT
REPUBLIC OF TURKEY
PRIME MINISTRY
PUBLIC PARTICIPATION ADMINISTRATION

The Republic of Turkey, Prime Ministry Public Participation Administration (PPA) offers for sale the shares of the following companies:

COMPANY NAME (INDUSTRY)	Share Capital of the Company (TL)	Percentage of PPA Shares Subject For Sale (%)	Number of PPA Shares	Nominal Value of PPA Shares (TL)	Minimum Offer Value (TL)
TOE Turk Otomotiv Endüstrileri A.Ş. (Automotive)	93,000,000.000	81.35	151,313,219	75,696,609.500	126,000,000.000
NETAŞ Northern Electric Telekom. A.Ş. (Telecommunication)	126,000,000.000	20.00	25,200,000	25,200,000.000	206,000,000.000
Konya Şeker Fabrikası A.Ş. (Sugar Processing)	17,000,000.000	24.00	4,080,000	4,080,000.000	29,000,000.000
İstanbul Demir Çelik A.Ş. (Mining - Chromium)	2,000,000.000	40.00	800	800,000.000	2,500,000.000

- Information memoranda and specifications relating to sales of the above companies can be obtained from the Public Participation Administration for a fee of TL 1,000,000 (one million Turkish Liras). The bidders are required to deposit the price of the specification to the account number of 507202 of the Public Participation Administration, at Türkiye Halk Bankası A.Ş., Bakanlıklar, ANKARA branch and documentary proof of payment shall be attached to the tender offer.
- The tender offer shall be made in a sealed envelope and submitted to the below stated address. The sealed envelope must not bear or otherwise indicate the name of the bidder.
- The tender offer and an irrevocable, unconditional bank letter of guarantee, with an unlimited maturity period, amounting to at least 6 % of the minimum offer value as stated above, or any kind of deposit in the form of cash or commercial paper must be submitted to PPA no later than **December 1, 1992, by 6.00 PM Turkish mean time.**
- The Republic of Turkey, Prime Ministry Public Participation Administration is not subject to the State Tender Law No: 2886 and reserves the right to decide whether or not to sell the share and to extend the deadline of the tender, if deemed necessary.
- The sale of the shares to real persons and the legal entities domiciled abroad is subject to the existing laws and regulations of foreign capital, copies of which are obtainable from the Undersecretariat of Treasury and Foreign Trade, General Directorate of Foreign Investment.



K O İ
REPUBLIC OF TURKEY
PRIME MINISTRY
PUBLIC PARTICIPATION
ADMINISTRATION

Atatürk Bulvarı 163, Bakanlıklar 06680 ANKARA Tel: (4) 425 06 16 - 425 06 17 Fax: (4) 425 59 74

NOTICE OF PARTIAL REDEMPTION
TO HOLDERS OF
DOMUS MORTGAGE FINANCE NO.1 PLC
£100,000,000

MORTGAGE BACKED FLOATING RATE NOTES DUE 2014

Notice is hereby given that in accordance with Conditions 6(b) and 18 of the Notes, the Issuer hereby gives notice to redeem £2,400,000.00 principal amount of Notes, selected randomly as detailed below.

The date set for the mandatory redemption is the next coupon payment date being, 8 December 1992, and the Notes will be redeemed at their principal amount plus accrued interest. Payment will be made against surrender of the Notes, together with all appurtenant Coupons maturing after the date set for redemption at the offices of the Paying Agents, named on the Notes. On and after 8 December 1992, the redeemed Notes will cease to accrue interest. The amount of any missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted will be paid against surrender of the relative missing Coupons within five years from the date of payment. The redeemed Notes will become void unless presented for payment within ten years of the redemption date.

The nominal amount that will be outstanding after the Notes listed below have been redeemed is £41,200,000.00.

The Serial Numbers drawn for mandatory redemption are as follows:

150	160	173	210	214	240	305	318
368	401	483	486	514	563	573	620
630	676	710	784	790	860	880	910

CHEMICALBANK
Principal Paying Agent

Dated 9 November 1992

INTERNATIONAL
BusinessWeek

This week's topics:

President Clinton: First 100 Days

Lessons From Bush's Defeat

Mercedes Slump Rocks Daimler

Bill Gates's Big Biotech Gamble

Gucci Needs To Bag Some Cash

(For subscriptions: From UK call 0628 • 23431)

Now available at your newsstand!

BusinessWeek International

14, av d'Ouchy, CH-1006 Lussane Tel. 41-21-817-4411
For subscriptions call UK 44-828-23431 Hong Kong 852-523-2339

TRADING STRATEGIES & IDEAS
Currencies • Bonds
Energy • Metals &
Oil Markets
Setting The Trend For Others To Follow

Trend Analysis Ltd
Finance House
32 Southgate Street
Wichster
Hants SO23 9EH
Tel: 0952 679764
SPL member

FT CONFERENCES

SPAIN IN THE NEW EUROPE

Madrid, 18 & 19 November

Spain in the New Europe - the winners & losers, will be the theme of this year's Financial Times conference arranged in association with Expansion and Actualidad Económica. Mr Carlos Solchaga, Spain's Finance Minister, has agreed in principle to give the opening address to the meeting. Other speakers will include Mr Luis Rojo, Governor of the Bank of Spain; Mr Pierre Duquesne, Deputy Director of the Treasury; France; Mr Jordi Pujol, President of Generalitat de Catalunya; Mr Norbert Walter, Chief Economist at Deutsche Bank; Mr Francisco Luzón, Chairman of Argentina and Mr Javier Sales, Chairman of INI.

FINANCIAL REPORTING IN THE UK

London, 26 November

The Accounting Standards Board's proposals for the treatment of off-balance sheet finance and capital instruments, mergers and acquisitions, goodwill, the operating and financial review and the profit and loss account will be reviewed by Mr Andrew Lennard and Mr Allan Cook from the Accounting Standards Board; Mr P Raymond Hinton of Arthur Andersen; Mr Graham Stacy of Price Waterhouse and Mr Nigel Stapleton, Chairman of the Technical Committee, 100 Group of Finance Directors.

WORLD VENTURE FORUM EUROPE '92

London, 2-4 December

Co-sponsored by the Financial Times and Venture Economics, the Forum brings together an expert speaker panel to review the opportunities for venture capitalists in a rapidly changing European environment. Forum sessions will focus on performance measurement, the need for investor relations in venture capital, direct investment by institutions, exit strategies and succession problems in European owner-managed businesses.

THE PETROCHEMICAL INDUSTRY - STRATEGIES FOR SURVIVAL

London, 8-9 December

This year's conference will focus on restructuring and rationalisation, consider the challenges of making operations more competitive and discuss the role of mergers, acquisitions and strategic alliances. Speakers taking part include: Mr Ronnie Hampel, Chief Operating Officer, Imperial Chemical Industries; Mr Peter Kwiat, Vice President - European Petrochemical Division, Shell International Chemical Company; Mr Stephen Pettit, Chief Executive, Petrochemicals Division, BP Chemicals and Dr Italo Trapasso, Chairman and CEO, Montecatini.

WORLD PULP AND PAPER

London, 14-15 December

The conference arranged by the Financial Times in association with the Confederation of European Paper Industries will review the long-term prospects for the industry and assess how corporate strategies are changing in a more complex and competitive environment. New horizons and new opportunities opening up for the future will also be assessed. Speakers include Dr Bo Berggren of STORA; Mr Alain Soulas of Arjo Wiggins Appleton; Mr Erling S Lorentzen of Aracruz Celulose; Mr Dick Eykel of N.V. Royal KNP; Professor Eduard Akim of the All-Russian Pulp and Paper Research Institute and Mr H C Bowen Smith of Dfion, Reed & Co.

All enquiries should be addressed to: Financial Times Conference Organisation, 102-108 Clerkenwell Road, London EC1M 5SA. Tel: 071-251 9321 (24 hr answering service) Telex: 27347 FTCONF G, Fax: 071-251 4686.

FOREXIA
F A X
S Dm £ ¥

A seven year record of successful forex forecasting daily. Commentaries, forecasts recommendations & charts from London and New York.
FREE TRIAL
TEL: +44 81 9488316 FAX: +44 81 9488469

COMPANY NEWS

Total reinforces takeover defences

By William Dawkins in Paris

TOTAL, the French state-controlled oil group, yesterday bolstered its takeover defences and warned that write-downs and restructuring would cost it FF800m (\$111.3m) this year.

The news, two months after Total announced a 47 per cent fall in first-half net profits to FF1.9bn, hit the share price, which closed last week at FF230.50, slightly above the FF230 at which the French state sold a FF9.5bn stake in Total last June.

This deal reduced the government's direct holding from 31.6 per cent to 5 per cent. Including other state institutions, the public sector owns 15 per cent of Total.

The group, which made a FF9.5bn net profit last year, after a 41.5 per cent, warned, after a board meeting, that it was holding to a conservative view on how markets would develop in coming months, although refining margins had improved in recent weeks. Accordingly, Total had decided to revise the book value of some non-strategic assets.

Total, the latest French company to reinforce its takeover defences, is to limit individual shareholders' voting rights to 10 per cent of the total, or 20 per cent for investors whose shares have acquired double voting rights. The limitation does not apply to an investor with more than two thirds of the capital.

Others to have used a similar defence technique include BSN, France's leading foods group, and Alcatel Alsthom, the telecommunications-to-engineering giant, to the anxiety of the French stock exchange authorities who fear that voting restrictions could deter foreign investors. The government owns a golden share in Total, which already gives it the power to reject a hostile bid.

Separately, Total announced that initial appraisals of the Peleko gas field in Indonesia showed possible reserves of 100bn cubic metres. This, plus another big recent discovery in Colombia, in which Total has a 15 per cent stake, marks a big step in the French group's strategy of increasing its reserves outside the Middle East.

Chinese group in Peruvian deal

SHOUKANG Corporation, China's largest steel group, has bought Hierro-Peru, Peru's falling state-owned iron mining company, for \$312m, Reuters reports from Beijing.

The deal is the second foreign purchase announced by Shoukang over the past few days. It acquired California Steel Industries, whose steel mill will be dismantled and taken to China to replace one of Shoukang's own mills.

Of the total price tag, Shoukang will invest \$150m back into the Peruvian group.

Investment income behind profits rise at Munich Re

By David Waller in Frankfurt

LOSSES in mainstream reinsurance business improved only slightly from the very high levels of last year, Munich Re reported, although income from capital investments enabled the group to improve overall profits substantially in the year ended June 1992.

At the parent company, which accounts for some 80 per cent of group business, the reinsurance loss was DM322.5m (\$578.7m), down from DM962.3m in 1990-1991. Mr Horst Jannott, chief executive, blamed the scale of these losses chiefly on large claims in the European fire insurance

sector, as well as natural disasters such as Typhoon Mireille which caused \$5.2bn damage to Japan in September 1991.

In the parent company, income from capital investments rose to DM1.96bn from DM1.69bn in the previous year. This helped ensure that profits for the group as a whole rose to DM177.5m in 1991-1992 compared with DM104.5m. Group premium income rose by 11.3 per cent to DM15.8bn and the dividend for this year would once again be DM10 per share, Mr Jannott said.

He said that the group would once again report reinsurance losses in the current year, partly because of Hurricane

Andrew which hit the US at the end of August, but also because of industrial fire risks and the sharply increased number of car thefts in Germany. But this would be compensated for by investment income and it was likely that the dividend for 1992-1993 would also be DM10 a share.

The impetus for turnover growth last year came from expansion into the eastern part of Germany, with the result that parent company domestic fee income rose by 12.6 per cent.

Mr Jannott warned that this year's fee income figures would be hit by the translation effects of a higher D-Mark.



Marshall Cohen: the future looks positive

Earnings at Molson held within range of record

By Robert Gibbens in Montreal

MOLSON, the Canadian brewing, special chemicals and retailing group, suffered from sluggish economic recovery in north America and weak consumer confidence during the first half of 1992.

"However, our earnings held within the range of last year's record levels and the future looks positive," said Mr Marshall Cohen, president.

Revenues rose 5 per cent to C\$1.6bn, while net profit slipped to C\$74.8m (US\$59.7m), or C\$1.26 a share, from C\$77m, or C\$1.36, a year earlier. Operating profit was up sharply at Diversy, the special chemicals unit.

Second quarter results, showing the same trend at the operating level, were C\$86.4m, or 60 cents a share, against C\$87.7m, or 67 cents, on revenues of C\$813m, against C\$767m.

Following a C\$120m equity financing, part of which was used to reduce debt, interest expense for the six months was down sharply.

The recession and a poor summer in eastern Canada depressed brewing in the first half. Industry volumes fell 3.5 per cent while Molson's domestic market share fell slightly to 49.5 per cent.

Molson has reduced costs and an industry price increase earlier this year helped. US sales rose slightly.

Diversy sales rose 8 per cent and operating profit 20 per cent with strong performance in Asia Pacific, Europe and Latin America, but margins contracted in north America.

Retailing revenues rose 10 per cent but the big Ontario market was weak and operating profit dipped 14 per cent.

CAE Industries is maintaining its world leadership in commercial flight simulators, but its first half results highlight the decline in the market due to the airline industry's financial problems.

Second quarter profit was C\$6.9m, or 5 cents a share, against C\$7m, or 7 cents, a year earlier, on revenues of C\$260m, down 7.8 per cent. Results were helped by lower interest rates and taxes and exchange gains.

First half profit was C\$12.7m, or 13 cents a share, against C\$13.7m, or 13 cents, a year earlier.

Fuel lift for Japanese ship lines

By Robert Thomson in Tokyo

JAPANESE shipping companies yesterday reported that lower fuel costs helped to support earnings during a difficult first half. Nippon Yusen, the largest line, reported a 6.3 per cent rise in pre-tax profit to Y7bn (\$57m).

Nippon Yusen, part of the Mitsubishi group of companies, said operating profit during the six months to end September rose by 28.9 per cent to Y12.9bn and sales rose 8.7 per cent to Y299bn, but profits were hit by appraisal losses on securities holdings and the appreciation of the yen.

Nippon Yusen said container services to the US increased, but cargo movements to Europe slowed and "competition intensified". Asian busi-

ness remained strong, and demand for tankers "proceeded steadily".

"Prospects for greater cargo movement during the rest of the year are not bright, as the general stagnation of the world economy and the uncertainty of the Japanese economy have combined to put the industry in a difficult situation," NYK said.

Mitsui OSE Lines, the second largest Japanese line, reported a 15.7 per cent fall in pre-tax profits to Y3.6bn and a 43.3 per cent fall in operating profit to Y4.8bn, in spite of a 3.4 per cent rise in sales to Y244bn.

The company's profits were eroded by heavier interest payments and depreciation charges, while the market value of its short and long-term holdings of stocks fell in tandem with prices on

the Tokyo Stock Exchange.

For the full year, Mitsui expects sales 1.5 per cent higher at Y490bn, and a 5.3 per cent fall in pre-tax profit at Y7bn. It had previously forecast a pre-tax profit of Y10bn.

Kawasaki Kisen reported a 63.9 per cent fall in pre-tax profit to Y568m after a 1.7 per cent fall in sales to Y187.6bn during the first half. The company blamed the international recession for the plunge in profit, but it also reflected sharply lower income on financial items.

The shipping line said yen appreciation and slower demand from Europe would continue to hurt earnings over the full year, for which it forecasts a pre-tax profit of Y2.5bn, down from Y4bn, on sales of Y377bn, compared to Y384bn last year.

Yamaha cuts payout after plunge

By Charles Leadbeater in Tokyo

YAMAHA, the world's largest musical instruments manufacturer, yesterday confirmed the force of the downturn hitting Japanese manufacturers by announcing its first dividend cut in 38 years.

Reporting a 43.7 per cent drop in pre-tax profits to Y3.37bn (\$33m) in the six months ended September, Yamaha said it would cut its interim dividend from Y8 to Y3. The dividend for 1992-1993

would be cut to Y8 from Y10 last year.

The company's pre-tax profit fell to Y3.37bn from Y8.87bn in the first half of last year, on sales of Y180.5bn, about 11.3 per cent down on 1991.

Yamaha has been hit by a sharp downturn in consumer demand in Japan which has been compounded by the recent strength of the yen.

However, its capacity to weather the downturn in its consumer markets has been diminished by a sharp fall in the value of its securities holdings reflecting the fall in the

Tokyo stock market.

Post-tax profits fell by 39.7 per cent to Y1.7bn. Earnings per share declined to Y38.9bn, down from Y14.76 per share in the first half of last year.

Kao Oil, the Japanese affiliate of Caltex petroleum, reports modestly lower pre-tax profits with recent yen strength offsetting a fall in demand. Pre-tax profits fell 1.6 per cent from a year earlier to Y88m on sales of Y114.19bn, down 7.8 per cent. Net profit more than doubled to Y618m, the company said.

Aga profits slip 3% to SKr1.03bn at nine months

By Christopher Brown-Hammet in Stockholm

AGA, the Swedish industrial gas group, reported profits of SKr1.03bn (\$172m) for the first nine months, down 3 per cent from the same period in 1991.

Sales fell to SKr5.6bn from SKr5.4bn, reflecting Aga's earlier merger of its Uddenholm energy unit with Swedish power group Gullspang Kraft. The group's ongoing operations, gas and the Frigoscandia food processing and cold stor-

age business, increased sales by 1.5 per cent during the period.

Operating income fell 9 per cent to SKr946m from SKr1.08bn, mainly because Frigoscandia's equipment operations were affected by the international recession.

The group said it was on target to produce full year profits of SKr1.43bn, unchanged from last year and in line with an earlier prediction. It expects the downturn at Frigoscandia to be offset by its share of earnings from the new Gullspang.

Demand for hepatitis drug boosts Takeda

By Emiko Terazono in Tokyo

TAKEDA Chemical Industries, Japan's largest pharmaceutical company, has seen sales and profits rise due to brisk demand for its new anti-hepatitis drug.

For the six months to September, Takeda posted a 1.8 per cent rise in non-consolidated sales to Y284.2bn (\$23.3bn), while pre-tax profits rose 2.9 per cent to Y36.2bn. After-tax profits grew 18.1 per cent to Y16.3bn, as the company suffered extraordinary losses of some Y4bn due to typhoon damage the previous year.

Takeda said a steady 4 per cent rise in drug sales offset the 7.5 per cent fall in sales of chemicals. For the full year to March, the company expects a 0.2 per cent rise in pre-tax profits to Y17.6bn on a 1.6 per cent increase in sales to Y570bn.

Eisai, another leading drugs company, said profits were affected by rising costs, while sales were hit by official cuts in drug prices last April. Overall sales rose by a mere 0.6 per cent to Y111bn, while pre-tax profits fell 1.9 per cent to Y17.3bn.

S Korea approves Daimler holding

SOUTH Korea's Ministry of Finance has approved the purchase by Daimler-Benz of a 5 per cent shareholding in Ssangyong Motor for \$33.9m, writes John Burton in Seoul.

Daimler-Benz is the first European vehicle producer to purchase a stake in a South Korean motor company.

Ssangyong is South Korea's fifth largest motor company and a producer of trucks, buses and jeeps.

Austrian petrochemicals group back in the black

By Ian Rodger in Zurich

OMV, the state controlled Austrian energy and petrochemical group, returned to profit in the third quarter and is now expecting to reach break-even in the full year.

The group, which has suffered from boardroom strife and a slump in its refining and petrochemical operations this year, said it made a pre-tax profit of Sch201m (\$189m) in the third quarter after a loss of Sch584m in the first half.

For the nine months, pre-tax losses were Sch935m compared with a profit of Sch119m in the same period of last year. Turnover was down 2.4 per cent to Sch60.7bn.

The energy division was responsible for the profit turnaround, with both the refining

and marketing businesses returning to profit in the third quarter, mainly as a result of cost cutting. The division as a whole made a profit of Sch919m in the nine-month period, down 43 per cent.

The chemical division lost Sch46m in the third quarter as fertiliser and melamine sales slumped, but a turnaround is expected next year. The plastics division lost Sch367m in the third quarter, as prices for polyolefins fell.

The group said at the interim stage that it was still expecting "a positive result" for the year, but this has been revised downward to break-even.

Verbund, the Austrian electricity utility, expects net profits to jump 24 per cent this year to Sch750m, Mr Walter Fremuth, chief executive, said in Frankfurt.

Moody's Investors Service

announces the incorporation of a subsidiary in Spain

Moody's Investors Service España S.A.



Moody's Investors Service

FRANKFURT LONDON MADRID NEW YORK PARIS TOKYO SAN FRANCISCO SYDNEY



James Capel & Co. Limited

We are pleased to announce that we have moved to:

Thames Exchange
10 Queen Street Place
London EC4R 1BL

Telephone: 071-621 0011 Fax: 071-621 0496

Telex: 888866

Swift: JCAPGB2L Speedlink: JACTG

STX: 77201

Our telephone, fax, telex, Swift, Speedlink and STX numbers are unchanged.

The Investment Management Division will remain at
7 Devonshire Square, London EC2M 4HU.

member of the HULC group

Euroclear

Effective today the Euroclear Operations Centre has relocated to its new building



Euroclear Operations Centre
Boulevard Emile Jacqmain 151
B-1210 Brussels, Belgium
Telephone (32-2) 224 1211

NOTICE OF REDEMPTION CITY OF VIENNA

USD 75,000,000 8% Notes 1986/96

Notice is hereby given that pursuant to section 504 of the Terms and Conditions of the Notes, City of Vienna will on 14th November 1992, redeem 15,000,000 principal amount of said 8% Notes due 14th November 1996. Said numbers of drawn Notes to be redeemed are set forth below on groups from one number to another number, both inclusive:

8 - 17	2508 - 2517	6008 - 6017	7508 - 7517	10008 - 10017	12508 - 12517
98 - 107	2518 - 2527	6018 - 6027	7518 - 7527	10018 - 10027	12518 - 12527
108 - 117	2528 - 2537	6018 - 6027	7518 - 7527	10108 - 10117	12608 - 12617
118 - 127	2538 - 2547	6018 - 6027	7518 - 7527	10118 - 10127	12618 - 12627
128 - 137	2548 - 2557	6018 - 6027	7518 - 7527	10128 - 10137	12628 - 12637
138 - 147	2558 - 2567	6018 - 6027	7518 - 7527	10138 - 10147	12638 - 12647
148 - 157	2568 - 2577	6018 - 6027	7518 - 7527	10148 - 10157	12648 - 12657
158 - 167	2578 - 2587	6018 - 6027	7518 - 7527	10158 - 10167	12658 - 12667
168 - 177	2588 - 2597	6018 - 6027	7518 - 7527	10168 - 10177	12668 - 12677
178 - 187	2598 - 2607	6018 - 6027	7518 - 7527	10178 - 10187	12678 - 12687
188 - 197	2608 - 2617	6018 - 6027	7518 - 7527	10188 - 10197	12688 - 12697
198 - 207	2618 - 2627	6018 - 6027	7518 - 7527	10198 - 10207	12698 - 12707
208 - 217	2628 - 2637	6018 - 6027	7518 - 7527	10208 - 10217	12708 - 12717
218 - 227	2638 - 2647	6018 - 6027	7518 - 7527	10218 - 10227	12718 - 12727
228 - 237	2648 - 2657	6018 - 6027	7518 - 7527	10228 - 10237	12728 - 12737
238 - 247	2658 - 2667	6018 - 6027	7518 - 7527	10238 - 10247	12738 - 12747
248 - 257	2668 - 2677	6018 - 6027	7518 - 7527	10248 - 10257	12748 - 12757
258 - 267	2678 - 2687	6018 - 6027	7518 - 7527	10258 - 10267	12758 - 12767
268 - 277	2688 - 2697	6018 - 6027	7518 - 7527	10268 - 10277	12768 - 12777
278 - 287	2698 - 2707	6018 - 6027	7518 - 7527	10278 - 10287	12778 - 12787
288 - 297	2708 - 2717	6018 - 6027	7518 - 7527	10288 - 10297	12788 - 12797
298 - 307	2718 - 2727	6018 - 6027	7518 - 7527	10298 - 10307	12798 - 12807
308 - 317	2728 - 2737	6018 - 6027	7518 - 7527	10308 - 10317	12808 - 12817
318 - 327	2738 - 2747	6018 - 6027	7518 - 7527	10318 - 10327	12818 - 12827
328 - 337	2748 - 2757	6018 - 6027	7518 - 7527	10328 - 10337	12828 - 12837
338 - 347	2758 - 2767	6018 - 6027	7518 - 7527	10338 - 10347	12838 - 12847
348 - 357	2768 - 2777	6018 - 6027	7518 - 7527	10348 - 10357	12848 - 12857
358 - 367	2778 - 2787	6018 - 6027	7518 - 7527	10358 - 10367	12858 - 12867
368 - 377	2788 - 2797	6018 - 6027	7518 - 7527	10368 - 10377	12868 - 12877
378 - 387	2798 - 2807	6018 - 6027	7518 - 7527	10378 - 10387	12878 - 12887
388 - 397	2808 - 2817	6018 - 6027	7518 - 7527	10388 - 10397	12888 - 12897
398 - 407	2818 - 2827	6018 - 6027	7518 - 7527	10398 - 10407	12898 - 12907
408 - 417	2828 - 2837	6018 - 6027	7518 - 7527	10408 - 10417	12908 - 12917
418 - 427	2838 - 2847	6018 - 6027	7518 - 7527	10418 - 10427	12918 - 12927
428 - 437	2848 - 2857	6018 - 6027	7518 - 7527	10428 - 10437	12928 - 12937
438 - 447	2858 - 2867	6018 - 6027	7518 - 7527	10438 - 10447	12938 - 12947
448 - 457	2868 - 2877	6018 - 6027	7518 - 7527	10448 - 10457	12948 - 12957
458 - 467	2878 - 2887	6018 - 6027	7518 - 7527	10458 - 10467	12958 - 12967
468 - 477	2888 - 2897	6018 - 6027	7518 - 7527	10468 - 10477	12968 - 12977
478 - 487	2898 - 2907	6018 - 6027	7518 - 7527	10478 - 10487	12978 - 12987
488 - 497	2908 - 2917	6018 - 6027	7518 - 7527	10488 - 10497	12988 - 12997
498 - 507	2918 - 2927	6018 - 6027	7518 - 7527	10498 - 10507	12998 - 13007
508 - 517	2928 - 2937	6018 - 6027	7518 - 7527	10508 - 10517	13008 - 13017
518 - 527	2938 - 2947	6018 - 6027	7518 - 7527	10518 - 10527	13018 - 13027
528 - 537	2948 - 2957	6018 - 6027	7518 - 7527	10528 - 10537	13028 - 13037
538 - 547	2958 - 2967	6018 - 6027	7518 - 7527	10538 - 10547	13038 - 13047
548 - 557	2968 - 2977	6018 - 6027	7518 - 7527	10548 - 10557	13048 - 13057
558 - 567	2978 - 2987	6018 - 6027	7518 - 7527	10558 - 10567	13058 - 13067
568 - 577	2988 - 2997	6018 - 6027	7518 - 7527	10568 - 10577	13068 - 13077
578 - 587	2998 - 3007	6018 - 6027	7518 - 7527	10578 - 10587	13078 - 13087
588 - 597	3008 - 3017	6018 - 6027	7518 - 7527	10588 - 10597	13088 - 13097
598 - 607	3018 - 3027	6018 - 6027	7518 - 7527	10598 - 10607	13098 - 13107
608 - 617	3028 - 3037	6018 - 6027	7518 - 7527	10608 - 10617	13108 - 13117
618 - 627	3038 - 3047	6018 - 6027	7518 - 7527	10618 - 10627	13118 - 13127
628 - 637	3048 - 3057	6018 - 6027	7518 - 7527	10628 - 10637	13128 - 13137
638 - 647	3058 - 3067	6018 - 6027	7518 - 7527	10638 - 10647	13138 - 13147
648 - 657	3068 - 3077	6018 - 6027	7518 - 7527	10648 - 10657	13148 - 13157
658 - 667	3078 - 3087	6018 - 6027	7518 - 7527	10658 - 10667	13158 - 13167
668 - 677	3088 - 3097	6018 - 6027	7518 - 7527	10668 - 10677	13168 - 13177
678 - 687	3098 - 3107	6018 - 6027	7518 - 7527	10678 - 10687	13178 - 13187
688 - 697	3108 - 3117	6018 - 6027	7518 - 7527	10688 - 10697	13188 - 13197
698 - 707	3118 - 3127	6018 - 6027	7518 - 7527	10698 - 10707	13198 - 13207
708 - 717	3128 - 3137	6018 - 6027	7518 - 7527	10708 - 10717	13208 - 13217
718 - 727	3138 - 3147	6018 - 6027	7518 - 7527	10718 - 10727	13218 - 13227
728 - 737	3148 - 3157	6018 - 6027	7518 - 7527	10728 - 10737	13228 - 13237
738 - 747	3158 - 3167	6018 - 6027	7518 - 7527	10738 - 10747	13238 - 13247
748 - 757	3168 - 3177	6018 - 6027	7518 - 7527	10748 - 10757	13248 - 13257
758 - 767	3178 - 3187	6018 - 6027	7518 - 7527	10758 - 10767	13258 - 13267
768 - 777	3188 - 3197	6018 - 6027	7518 - 7527	10768 - 10777	13268 - 13277
778 - 787	3198 - 3207	6018 - 6027	7518 - 7527	10778 - 10787	13278 - 13287
788 - 797	3208 - 3217	6018 - 6027	7518 - 7527	10788 - 10797	13288 - 13297
798 - 807	3218 - 3227	6018 - 6027	7518 - 7527	10798 - 10807	13298 - 13307
808 - 817	3228 - 3237	6018 - 6027	7518 - 7527	10808 - 10817	13308 - 13317
818 - 827	3238 - 3247	6018 - 6027	7518 - 7527	10818 - 10827	13318 - 13327
828 - 837	3248 - 3257	6018 - 6027	7518 - 7527	10828 - 10837	13328 - 13337
838 - 847	3258 - 3267	6018 - 6027	7518 - 7527	10838 - 10847	13338 - 13347
848 - 857	3268 - 3277	6018 - 6027	7518 - 7527	10848 - 10857	13348 - 13357
858 - 867	3278 - 3287	6018 - 6027	7518 - 7527	10858 - 10867	13358 - 13367
868 - 877	3288 - 3297	6018 - 6027	7518 - 7527	10868 - 10877	13368 - 13377
878 - 887	3298 - 3307	6018 - 6027	7518 - 7527	10878 - 10887	13378 - 13387
888 - 897	3308 - 3317	6018 - 6027	7518 - 7527	10888 - 10897	13388 - 13397
898 - 907	3318 - 3327	6018 - 6027	7518 - 7527	10898 - 10907	13398 - 13407
908 - 917	3328 - 3337	6018 - 6027	7518 - 7527	10908 - 10917	13408 - 13417
918 - 927	3338 - 3347	6018 - 6027	7518 - 7527	10918 - 10927	13418 - 13427
928 - 937	3348 - 3357	6018 - 6027	7518 - 7527	10928 - 10937	13428 - 13437
938 - 947	3358 - 3367	6018 - 6027	7518 - 7527	10938 - 10947	13438 - 13447
948 - 957	3368 - 3377	6018 - 6027	7518 - 7527	10948 - 10957	13448 - 13457
958 - 967	3378 - 3387	6018 - 6027	7518 - 7527	10958 - 10967	13458 - 13467
968 - 977	3388 - 3397	6018 - 6027	7518 - 7527	10968 - 10977	13468 - 13477
978 - 987	3398 - 3407	6018 - 6027	7518 - 7527	10978 - 10987	13478 - 13487
988 - 997	3408 - 3417	6018 - 6027	7518 - 7527	10988 - 10997	13488 - 13497
998 - 1007	3418 - 3427	6018 - 6027	7518 - 7527	10998 - 11007	13498 - 13507
1008 - 1017	3428 - 3437	6018 - 6027	7518 - 7527	11008 - 11017	13508 - 13517
1018 - 1027	3438 - 3447	6018 - 6027	7518 - 7527	11018 - 11027	13518 - 13527
1028 - 1037	3448 - 3457	6018 - 6027	7518 - 7527	11028 - 11037	13528 - 13537
1038 - 1047	3458 - 3467	6018 - 6027	7518 - 7527	11038 - 11047	13538 - 13547
1048 - 1057	3468 - 3477	6018 - 6027	7518 - 7527	11048 - 11057	13548 - 13557
1058 - 1067	3478 - 3487	6018 - 6027	7518 - 7527	11058 - 11067	13558 - 13567
1068 - 1077	3488 - 3497	6018 - 6027	7518 - 7527	11068 - 11077	13568 - 13577
1078 - 1087	3498 - 3507	6018 - 6027	7518 - 7527	11078 - 11087	13578 - 13587
1088 - 1097	3508 - 3517	6018 - 6027	7518 - 7527	11088 - 11097	13588 - 13597
1098 - 1107	3518 - 3527	6018 - 6027	7518 - 7527	11098 - 11107	13598 - 13607
1108 - 1117	3528 - 3537	6018 - 6027	7518 - 7527	11108 - 11117	13608 - 13617
1118 - 1127	3538 - 3547	6018 - 6027	7518 - 7527	11118 - 11127	13618 - 13627
1128 - 1137	3548 - 3557	6018 - 6027	7518 - 7527	11128 - 11137	13628 - 13637
1138 - 1147	3558 - 3567	6018 - 6027	7518 - 7527	11138 - 11147	13638 - 13647
1148 - 1157	3568 - 3577	6018 - 6027	7518 - 7527	11148 - 11157	13648 - 13657
1158 - 1167	3578 - 3587	6018 - 6027	7518 - 7527	11158 - 11167	13658 - 13667
1168 - 1177	3588 - 3597	6018 - 6027	7518 - 7527	11168 - 11177	13668 - 13677
1178 - 1187	3598 - 3607	6018 - 6027	7518 - 7527	11178 - 11187	13678 - 13687
1188 - 1197	3608 - 3617	6018 - 6027	7518 - 7527	11188 - 11197	13688 - 13697
1198 - 1207	3618 - 3627	6018 - 6027	7518 - 7527	11198 - 12007	13698 - 13707
1208 - 1217	3628 - 3637	6018 - 6027	7518 - 7527	12008 - 12017	13708 - 13717
1218 - 1227	3638 - 3647	6018 - 6027	7518 - 7527	12018 - 12027	13718 - 13727
1228 - 1237	3648 - 3657	6018 - 6027	7518 - 7527	12028 - 12037	13728 - 13737
1238 - 1247	3658 - 3667	6018 - 6027	7518 - 7527	12038 - 12047	13738 - 13747
1248 - 1257	3668 - 3677	6018 - 6027	7518 - 7527	12048 - 12057	13748 - 13757
1258 - 1267	3678 - 3687	6018 - 6027	7518 - 7527	12058 - 12067	13758 - 13767
1268 - 1277	3688 - 3697	6018 - 6027	7518 - 7527	12068 - 12077	13768 - 13777
1278 - 1287	3698 - 3707	6018 - 6027	7518 - 7527	12078 - 12087	13778 - 13787
1288 - 1297	3708 - 3717	6018 - 6027	7518 - 7527	12088 - 12097	13788 - 13797
1298 - 1307	3718 - 3727	6018 - 6027	7518 - 7527	12098 - 12107	13798 - 13807
1308 - 1317	3728 - 3737	6018 - 6027	7518 - 7527	12108 - 12117	13808 - 13817
1318 - 1327	3738 - 3747	6018 - 6027	7518 - 7527	12118 - 12127	13818 - 13827
1328 - 1337	3748 - 3757	6018 - 6027	7518 - 7527	12128 - 12137	13828 - 13837
1338 - 1347	3758 - 3767	6018 - 6027	7518 - 7527	12138 - 12147	13838 - 13847
1348 - 1357	3768 - 3777	6018 - 6027	7518 - 7527	12148 - 12157	13848 - 13857
1358 - 1367	3778 - 3787	6018 - 6027	7518 - 7527	12158 - 12167	13858 - 13867
1368 - 1377	3788 -				

INTERNATIONAL CAPITAL MARKETS

JAPANESE EQUITY WARRANTS

Issuers forced to seek more capital for repayment

REFINANCING the Japanese equity warrant binge of the late 1980s may cause less of a long-term in the public capital markets than expected, if experience so far is any guide.

The rush started in earnest this summer. After running at around \$1.5bn-\$2bn a quarter, the value of warrant bonds falling due leaped to \$8bn in the March-June period and \$14bn in the following three months. Most of the warrants have expired worthless, forcing the issuers to raise additional capital to repay bondholders.

Yet the markets have so far taken it in their stride: against a background of inactivity in the equity-linked sector of the Euromarkets, and without any significant pick-up in the Japanese domestic corporate bond market, many issuers have turned to commercial paper or private placements to plug the gaps.

The crunch year will be 1993, when some \$75bn of such issues mature, according to figures from IFR Securities Data. Equity warrant issues, which typically have a four-year maturity, peaked in popularity in 1989 with Japanese issuers attracted by very cheap financing, and with Japanese retail investors eager to place their bets on what looked like a one-way bet.

Of the 13 deals the market has seen worth \$1bn or more, all but

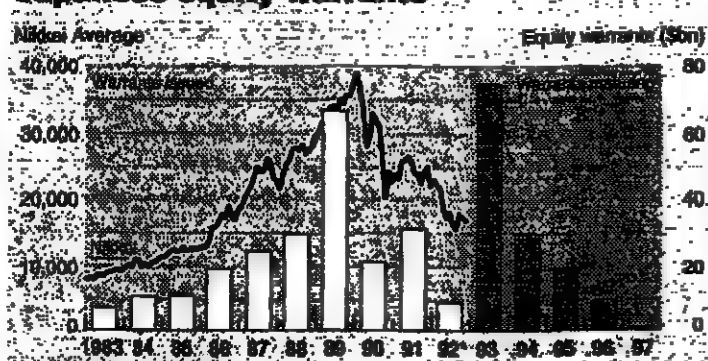
one were in 1989. The slump in the Tokyo stock market means that warrants linked to deals brought out around that time are not being exercised and the issuers are having to face up to refinancing the bonds.

There are five main avenues to explore for refinancing purposes: like-for-like equity warrant issues, convertible bonds, Euroyen bonds, straight bonds in the domestic market and bank loans. In addition, medium-term notes and commercial paper could be used as a temporary measure. Companies like Toyota might, it is thought, simply redeem the bonds out of their petty cash.

The exact distribution of the refinancing burden will depend upon prevailing market conditions and the differing requirements of the borrowers, but it is probably safe to say that bank loans will be the smallest part of the solution, given the problems Japanese banks are having with their loan books and the constraints imposed by capital adequacy guidelines. Straight Euro-dollar issues are being ruled out for all but the best known names with good ratings.

Nor has the domestic bond market come to the rescue of warrant bond issuers. Liberalisation measures, designed to make the market more accessible to Japanese companies, have so far failed to prompt

Japanese equity warrants



Source: IFR Securities Data, 1991 September Bank of Japan

issuance on a large scale. "Efforts to stimulate domestic issuance by the Ministry of Finance may fall short of meeting Japanese issuers' real needs," concludes Moody's Investors Service, the rating agency, in a report on the Japanese share registration system.

Refinancing in the warrant market have also been running at a very low ebb this year. Just \$8bn of warrant bonds were issued in the first nine months, only a third of the amount raised in the same period in 1989. Most bankers agree that the market, while still fragile, is strong enough to absorb considerably more than this - say \$30bn-\$35bn of new issues a year.

According to Mr Doug Howland, of Goldman Sachs: "The warrant market remains a viable sector with a good investor base. Demand is outstripping the current limited supply, notwithstanding the recent softness in the new issue market."

The buyer profile today looks very different from 1989, when around three-quarters of the warrants quickly flowed back to Japanese retail investors. Today, according to some estimates, 50 per cent is being bought by UK institutions, 30 per cent by continental Europe including Switzerland and just 10 per cent by Japan.

"Japan looks attractive now," says Mr Paul Sauvay, deputy chief

executive of Schroder Securities. "To have a four-year option on Japanese stock at this stage in the cycle has to look an attractive investment."

Issuers and their bankers will be hoping that this message is getting through: according to one estimate, some \$3bn of warrant-linked issues is scheduled for the coming weeks, representing a sudden pick-up after a very quiet year. Sumitomo Rubber and Canon are among the highest issuers waiting in the wings.

In the meantime, private placements and the US commercial paper market have been used to take much of the strain of the refinancing wave, as public markets have shrunk in significance.

The saviour for the original warrant bond issuers would, of course, be a revival in the Tokyo market. Baring Securities says that the Nikkei would have to recover to 33,000 from today's levels of around 17,000 to make any significant reductions in the amount of debt that needs to be refinanced. But the message from one Japanese banker in London is to forget it. "Issuers will not be bailed out by a recovery in the stock market."

Brian Bollen and Richard Waters

RISK AND REWARD

A gravity-free stroll through the financial market revolution

THESE days, in the financial markets, it can sometimes seem as though the laws of gravity have been rewritten. A whole generation of computer-assisted traders seems bent on disproving the old Newtonian law of investing, that to earn higher returns, you have to take on bigger risks. As a result, today's financial traders sometimes seem to be walking on air, buoyed by theories that to an average investor are unintelligible.

Imagine, for instance, holding a portfolio of securities that made you money no matter which way the market moved. Impossible? Maybe not. Consider the prospectus for a hedge fund launched recently by Cresvale, a London-based asset management and securities company. It claims to follow hedging strategies, the result of which is to maximise the value of the underlying securities and warrants in rising, falling and sideways markets. So where's the catch? "At all times the fund is anticipated to be market neutral," Cresvale says.

Sounds too good to be true? Not if you listen to some of the claims coming from the derivatives markets. The modern armoury of interest rate, foreign currency and equity instruments should make it possible to hedge away any particular element of risk, leaving an investor or trader carrying only those risks they feel comfortable with. If you're holding Japanese equities, why not protect yourself against a falling yen and only carry the equity exposure? Or why not eliminate the equity risk by buying a few put options on the Nikkei stock market average? Better still, if linkages between the various financial markets are not working efficiently, why not hedge away the risks altogether and get left with a residual return?

This selective approach to risk is now driving a large amount of trading in all financial markets. A barrage of new trading approaches and a lot of computer power has been brought to bear on areas which were once left to traders who had little more to guide them than their own gut-feelings plus the comforting words of an analyst or economist looking over their shoulder. Everyone from the fund manager who uses quantitative techniques to the equity trader who hedges his

position by buying options is now relying on greater computer power and sophisticated modelling to develop an investment or trading approach.

The growth of derivatives markets - and the growth of the derivatives industry, among the most profitable in the financial sector - are one result. Yet this revolution has had other, less obvious results.

One has been the greater opaqueness of financial markets, and the institutions which deal in them. Over-the-counter markets are private places where it is sometimes difficult for an outsider to discover even what is being traded, let alone who is trading it or for how much. Also, not much of what goes on is reflected in banks' balance sheets. At the end of last year Bankers Trust, the US bank which has been at the forefront of the move into derivatives, recorded \$58bn of credit risk on its off-balance sheet activities. This compared with \$68bn on its traditional on-balance sheet business - the first time its off-balance sheet risks had been greater.

If things are becoming opaque for outsiders, then more worrying is the fact that they are becoming equally opaque for regulators and senior managers in financial institutions. A report from the Bank for International Settlements pointed last week to the worrying lack of statistics on what is happening in some derivative markets, and the risks banks are taking on as a result.

A second result has been a change in the way financial markets move. Volatility has increased as fewer, bigger traders, driven often by technical trading methods, seek to move ever-larger sums between markets. Closer linkages between markets - one result of the growth of derivatives - has meant that any shocks can be transmitted faster through the machine.

In future weeks, this column will explore the revolution in the financial markets. It will look at the new financial instruments and markets that have developed, and the trading strategies of the people who use them - whether fund managers, bankers or corporate treasurers.

Richard Waters

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life yrs	Coupon %	Price	Book runner	Offer yield %
US DOLLARS							
Surgin Cement Co	12	2007	15	3.5	100	Tong Yang Secs.	-
Crédit Local de France	100	2002	10	(a)	99	Lehman Bros Int.	-
BNP	75	2002	10	(b)	98.75	CSFB	-
Tsurumi Manufacturing	80	1998	4	1,000	100	Daiwa Europe	-
Consolidated G. Group (Dai)	150	1997	5	10.5	98.507	Salomon Bros Int.	10.000
Electricité de France	100	2002	10	(c)	98.50	USF P&O Secs.	-
Hanjin DS Europe	80	1997	5	(d)	100	Merrill Lynch Int.	-
Kingdom of Norway	800	2002	10	(m)	98.5	Kidder, Peabody Int.	-
Dowa Mining Co	70	1998	4	1,000	100	Yamachi Int (Europe)	-
Dowa Mining Co	80	1998	4	1,000	100	Wako Merch. Bk (Singapore)	-
Bank Austria	80	2002	6.57	100.25	100.25	Lehman Bros Int.	-
GECCO	100	1995	3	6.25	100.5175	Paribas Cap. Mkts.	4.914
Guinness Finance	75	1994	2	(v)	101.25	Lehman Bros Int.	-
YEN							
EBRB	500m	1997	5	4.5	98.5	Sakura Fin./Monroe	4.595
D-MARKS							
Sasol Glass Co	30	1997	5	(h)	100	Sakura Bk (Deutsch.)	-
OG Hypothekbank	100	2002	10	(i)	101.25	OG Bank	-
Remy Centre	130	1997	5	8	101.875	Commerzbank	7.986
STERLING							
Helix Building Society	200	1998	8	7.75	98.41	Samuel Montagu	7.877
Bayerische Hypo-Bank	150	1997	5	7.375	101.025	Morgan Stanley Int.	-
FRENCH FRANCS							
Electricité de France	150m	1997	5	8.25	98.65	JP Morgan Secs.	8.336
Société Générale	1,500	2002	10	8.5	100.65	Société Générale	8.401
Rhône-Poulenc	100	1998	7	8.75	101.325	CCF	8.491
CCF	800	1997	5	(j)	100	CCF	-
World Bank	1,500	1998	7	8.125	98.612	BNP Cap. Mkts.	8.200
Compagnie Générale	100	1998	4	8.6	101.285	CCF	8.108
CANADIAN DOLLARS							
Alcan Alumin	500	1998	7	8.75	101.72	Société Générale	8.416
EURO DOLLARS							
IBM Int Finance	150	1998	3.25	8.25	100.7125	USF P&O Secs.	8.382
DBL Bank	125	1995	3	6.5	100.9875	Goldman Sachs Int.	6.130
BUILDERS							
ALCO	300	2002	10	8	100.75	Reliance Nederland	7.508
Sachsen-Anhalt L&K	200	2002	10	7.75	100	SBC Nederland	7.750
L&K Finance	300	1997	6	7.25	100.5	SBC Nederland	7.170
SWISS FRANCS							
Daiwa Ind. Secs. (Japan)	50	1998	4	2.375	100	Sakura Bk	-
Banking Engineering	50	1998	4	2.375	100	Daiwa Secs. Bk (Switz.)	-
Banking Land	50	1997	5	4.5	100	OG Bank (Switz.)	-
Republic of Ireland	150	2001	8	6.5	101.5	Suisse Bank Corp.	8.977
BNP Finance	150	2000	5	6.25	102.125	USF	5.908
Air France	150	2002	10	8.75	102.75	USF	8.545
Philip Morris Companies	100	1998	6	6.375	102.125	Crédit Suisse	6.944
LUXEMBOURG FRANCS							
Cregefin Finance	100m	2002	10	8.25	101.5	Cregefin Int. Bank	7.967
Cregefin Finance	100m	2002	10	8.25	102.125	Cregefin Int. Bank	7.964

Deutsche Bank AG

Frankfurt am Main

Final maturity of the warrants attached to the 5% Deutsche Mark Bonds of 1987/1993 and 4 1/4% Swiss Franc Bonds of 1987/1997, issued by Deutsche Bank Finance N.V., Curaçao, and assumed by Deutsche Finance (Netherlands) B.V., Amsterdam

Pursuant to the Conditions of Warrants, the subscription rights arising from the warrants attached to each of the above bonds may still be exercised through December 15, 1992. After that date the warrants will no longer be valid.

Bearers of warrants may, until the end of the subscription period, exercise their subscription rights for such number of ordinary bearer shares of Deutsche Bank Aktiengesellschaft as is stated on the front of the warrants. The subscription price is DM 680.00 per Deutsche Bank share of DM 50.00 par value each. The shares are entitled to full dividends for the current 1992 fiscal year.

In order to exercise subscription rights, bearers of warrants must file a written notice with the warrant agent, Deutsche Bank Aktiengesellschaft, Frankfurt am Main, through any of the receiving agents. The required notification form is available from any of the receiving agents.

The notice to exercise the subscription right is binding and will become effective only upon payment

of the subscription price together with the presentation of the warrants with the receipts E and F still attached. The notice to exercise the subscription right will become effective only upon receipt by Deutsche Bank Aktiengesellschaft, Frankfurt am Main, of the subscription price and the respective number of warrants by Tuesday, December 15, 1992, at the latest.

Bearers of warrants wishing to exercise their subscription rights are requested to contact their respective custodian banks, from which the necessary forms are available, as soon as possible. Notices to exercise the subscription right which are not received by Deutsche Bank Aktiengesellschaft on or before the expiry date cannot be accepted for legal reasons.

In line with standard stock exchange practice, the warrants will be traded and officially listed on the German stock exchanges on December 8, 1992 for the last time.

Frankfurt am Main, November 1992

The Board of Managing Directors

Montreal Trustco Inc.

(Incorporated under the laws of Canada)

\$6,000,000,000

Floating Rate Debentures Due 1994

Notice is hereby given that the Rate of Interest for the Interest Period from 30th November, 1992 to 30th May, 1993 is 4.25% per annum. Interest payable on 10th May, 1993 will amount to \$2,454,638 per \$100,000,000 principal amount of the Notes.

Agent Bank
The Long-Term Credit Bank of Japan, Limited
Tokyo

Great Belt A.S.

(AS Selskabet Aktiefond)

\$7,000,000,000

Floating Rate Notes Due 1994

Notice is hereby given that the Rate of Interest for the Interest Period from 30th November, 1992 to 30th May, 1993 is 4.40% per annum. Interest payable on 10th May, 1993 will amount to \$1,090,559 per \$100,000,000 principal amount of the Notes.

Agent Bank
The Long-Term Credit Bank of Japan, Limited
Tokyo

LANCASHIRE

The FT proposes to publish this survey on November 19, 1992. It will be of particular interest to the 92% of professional investors in Europe who regularly read the FT.

If you want to reach this important audience and receive a copy of the official synopsis and advertising rates call: 01-434 5381 or write to her at: Alexandre Buildings, Queen Street, Manchester M1 2LF

Data source: The Professional Investor Community Worldwide

REPUBLIC NEW YORK CORPORATION

has formed

REPUBLIC NEW YORK SECURITIES CORPORATION

a wholly owned subsidiary with capital of

\$100,000,000

A broker-dealer dedicated to servicing the professional investor.

REPUBLIC NEW YORK SECURITIES CORPORATION

452 Fifth Avenue
New York, New York 10018
212-525-8600

Member of the New York Stock Exchange, Inc. and other Principal Exchanges. Member SPC

FUTURES FAX

Comprehensive daily trading recommendations with targets, stop-losses and illustrated charts.

Details: EBI Gifford Tel: 0223 356251 Fax: 0223 328806
Investment Research of Cambridge Ltd. A Member of IBCO

FUTURES & OPTIONS TRADERS

BERKELEY FUTURES LIMITED
15 PARK ROAD, REGENTS PARK, LONDON, NW1 6EX, ENGLAND
TEL: 071-224 8489
FAX: 071-224 8275

Christiania Bank og Kreditkasse

(Incorporated in the Kingdom of Norway with limited liability)
U.S.\$200,000,000

Primary Capital Undated Floating Rate Notes

Notice is hereby given that the Rate of Interest has been fixed at 3.875% and that the interest payable on the relevant interest payment date May 10, 1993 against Coupon No. 13 in respect of US\$10,000 nominal of the Notes will be US\$195.90 and in respect of US\$250,000 nominal of the Notes will be US\$4,897.57.

November 9, 1992, London
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

AUSTRIA	FRANCE (continued)	GERMANY (continued)	NETHERLANDS (continued)	SWEDEN (continued)	CANADA
---------	--------------------	---------------------	-------------------------	--------------------	--------

هكذا هو الأصل

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128

٥٢٢

هذه الصفحة الأصل

FT MANAGED FUNDS SERVICE

Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2126.

UK FUNDS										EUROPEAN FUNDS										AMERICAN FUNDS										ASIAN FUNDS										GLOBAL FUNDS										BOND FUNDS										MONEY MARKET FUNDS										HYBRID FUNDS										EQUITY FUNDS										INTERNATIONAL EQUITY FUNDS										UK EQUITY FUNDS										UK BOND FUNDS										UK MONEY MARKET FUNDS										UK HYBRID FUNDS										UK SPECIALIST FUNDS										UK FIXED INCOME FUNDS										UK SHORT TERM FUNDS										UK LONG TERM FUNDS										UK BALANCED FUNDS										UK INVESTMENT FUNDS										UK DIVERSIFIED FUNDS										UK SPECIAL INVESTMENT FUNDS										UK PRIVATE EQUITY FUNDS										UK VENTURE CAPITAL FUNDS										UK HEDGE FUNDS										UK COMMODITY FUNDS										UK ARTS & CULTURE FUNDS										UK ENVIRONMENTAL FUNDS										UK SOCIALLY RESPONSIBLE FUNDS										UK ETHICAL FUNDS										UK CHARITABLE FUNDS										UK FOUNDATION FUNDS										UK TRUST FUNDS										UK LIFE FUNDS										UK ANNUITY FUNDS										UK PENSION FUNDS										UK RETIREMENT FUNDS										UK INVESTMENT LINKED FUNDS										UK LIFE ASSURANCE FUNDS										UK INVESTMENT LINKED ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY FUNDS										UK INVESTMENT LINKED PENSION FUNDS										UK LIFE ASSURANCE PENSION FUNDS										UK INVESTMENT LINKED RETIREMENT FUNDS										UK LIFE ASSURANCE RETIREMENT FUNDS										UK INVESTMENT LINKED ANNUITY PENSION FUNDS										UK LIFE ASSURANCE ANNUITY PENSION FUNDS										UK LIFE ASSURANCE PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE RETIREMENT ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK INVESTMENT LINKED ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE ANNUITY PENSION ANNUITY FUNDS										UK LIFE ASSURANCE PENSION ANNUITY PENSION AN									
----------	--	--	--	--	--	--	--	--	--	----------------	--	--	--	--	--	--	--	--	--	----------------	--	--	--	--	--	--	--	--	--	-------------	--	--	--	--	--	--	--	--	--	--------------	--	--	--	--	--	--	--	--	--	------------	--	--	--	--	--	--	--	--	--	--------------------	--	--	--	--	--	--	--	--	--	--------------	--	--	--	--	--	--	--	--	--	--------------	--	--	--	--	--	--	--	--	--	----------------------------	--	--	--	--	--	--	--	--	--	-----------------	--	--	--	--	--	--	--	--	--	---------------	--	--	--	--	--	--	--	--	--	-----------------------	--	--	--	--	--	--	--	--	--	-----------------	--	--	--	--	--	--	--	--	--	---------------------	--	--	--	--	--	--	--	--	--	-----------------------	--	--	--	--	--	--	--	--	--	---------------------	--	--	--	--	--	--	--	--	--	--------------------	--	--	--	--	--	--	--	--	--	-------------------	--	--	--	--	--	--	--	--	--	---------------------	--	--	--	--	--	--	--	--	--	----------------------	--	--	--	--	--	--	--	--	--	-----------------------------	--	--	--	--	--	--	--	--	--	-------------------------	--	--	--	--	--	--	--	--	--	--------------------------	--	--	--	--	--	--	--	--	--	----------------	--	--	--	--	--	--	--	--	--	--------------------	--	--	--	--	--	--	--	--	--	-------------------------	--	--	--	--	--	--	--	--	--	------------------------	--	--	--	--	--	--	--	--	--	-------------------------------	--	--	--	--	--	--	--	--	--	------------------	--	--	--	--	--	--	--	--	--	---------------------	--	--	--	--	--	--	--	--	--	---------------------	--	--	--	--	--	--	--	--	--	----------------	--	--	--	--	--	--	--	--	--	---------------	--	--	--	--	--	--	--	--	--	------------------	--	--	--	--	--	--	--	--	--	------------------	--	--	--	--	--	--	--	--	--	---------------------	--	--	--	--	--	--	--	--	--	----------------------------	--	--	--	--	--	--	--	--	--	-------------------------	--	--	--	--	--	--	--	--	--	------------------------------------	--	--	--	--	--	--	--	--	--	---------------------------------	--	--	--	--	--	--	--	--	--	------------------------------------	--	--	--	--	--	--	--	--	--	---------------------------------	--	--	--	--	--	--	--	--	--	---------------------------------------	--	--	--	--	--	--	--	--	--	------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FT MANAGED FUNDS SERVICE

• Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

[illegible]

هكذا هو الأصل

AMERICANS

BUILDING MATERIALS - Cont.

CONTRACTING & CONSTRUCTION - Cont.**ENGINEERING - GENERAL - Cont.**

HOTELS & LEISURE - Cont.

TESTAMENT TRUSTS - Cont.

CANADIANS

Securiguard	148	-7	8.8	1.8	Apr	Aug	13.7	3987
MS-Select Apples	419	-	-	-	-	-	6.90	3920
Compaq	848	2.6	22.8	8.6	Oct	Jan	7.0	4011

Model	Price	ch'ng	net	comp.	paid	net	inc
Volvo Light HXK	235	-2.6	Q1946		-JagJette	2.9	2130

Simon	27	-1.8	2.2	1.4	Jan	Feb	29.6	4457	
more	19	202	6.9	7.2	3.1	Jan	Jul	1.6	4484

	786	0.9	2.10	1.8 Dec Jul	5.10 2007	G
L	787	—	2.6	1.5 Nov May	5.10 —	M
J. Thompson	804	—	2.6	2.4 Nov Mar	5.10 2008	H

I Income.....M	1987	1.3	2.00 Feb-Apr	70.0	211	2:30
Cons Inc.....	1987	—	19.41 Apr-Oct	38.7	129	4:35

RANKS

Wells & Boardman	187	-1.6	7.06	1.7 Year Gal	10.8 2491
Ingoldstrand S.	2199	3.8	103.96	-Mr. Ingoldstrand	9.3

Mac (IBM)	141	3.0	-	-	-	9.90	1994
Mac (IBM)	141	3.0	-	-	-	4.90	1749
Mac (IBM)	141	3.0	2.0	2.7	War Sep	27.7	1052

28 (2)	27	-19	0.8	3.0	May	0.4	2816
est	270	-5	7.8	8.4	May	8.10	3343
day (1)	76	203	4.15	1.2	Jan	1.8	2700

of May Y	425	-3 12.7%	- Apr	25.3 4185
of trade	237	4.4 11.2%	- Nov May	7.9 2473

71 — 7.28 11/4/44 11.2 5 17 2300

BREWERS & M

9 1/2 pc Dwy	51713	1.1	10.5	-	13.7	-
--------------	-------	-----	------	---	------	---

Microsites	28	-7.1	-	-	-	5/91	3374	C
Isys	277	1.1	6.1	2.9	Oct Apr	10.8	3386	D
Other	24		4.9	1.0	1-1 Oct	7.8		

16	012	5.8	0.8	3.7	Aug	13.7	2291
Farm 8	107	4.8	0.4	2.0	Nov Jan	8.10	2021

Est Pri Inc	M	100	1.5	12.00	Oct Jul	8.94	8.10	3187	100
Div PL		281	1.8	-	-	7.88	-	3187	100

Recovery H ₂ O	25	—	3.50	200.5	24	1510
Cal	17.5	4.4	—	175.0	—	1005
and Units	40	1.1	3.70	257.7	24	1650

BUILDING MA

Sailway	281	4.4	11.8	Jan Jan	11.5 1798
Sailwinch	22	—	—	—	5788 1800
Berkley	228	11.2	8.8	37 Feb Jan	13.7 1813

22	0.3	3.9	Aug	Jan	13.7	2002
04	8.0	0.7n	1.7	Nov	May	4.8 1147

15	215	0.8	-	-	-	27A	2500
25	215	-0.7	8.7	1.4	200	27A	2502

High Yield	94	1.1	4.33	JaAphOc	74.1	24.8	3196	Zen
------------	----	-----	------	---------	------	------	------	-----

3	2452	1.4	25.51	Dec	1.27	211	2845
4	1384	0.4	-	-	8.30	-	2877

Company	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
---------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

522 من الأصل

LINEA 2000

Annual subscription £250.00 *etc.*
Call +44 71-925 2128 for more details.

4 pm close November 6

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

[illegible]

Continued on next page

NASDAQ NATIONAL MARKET

Stock	P/E	Div.	Yield	100s	High	Low	Last	Chng	Stock	P/E	Div.	Yield	100s	High	Low	Last	Chng	Stock	P/E	Div.	Yield	100s	High	Low	Last	Chng	Stock	P/E	Div.	Yield	100s	High	Low	Last	Chng
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.	0.26	17	56	22 1/2	22 1/2	22 1/2	22 1/2		Seagate	0.11	0172	17 1/2	16 1/2	17	17	17	
Admiral	0.44	20	240	34	33	32 1/2			Overl	0.00	15	76	38	36	35 1/2			Lanco Inc.</																	

4 pm class November 5

[illegible]

Hotel
LOPEZ de HARO
BILBAO

GRAN LUXO

When you stay
with us in Bilbao,
stay in touch
with your
complimentary copy
of the

FINANCIAL TIMES
PUBLISHED DAILY

MONDAY INTERVIEW

Charity's
her middle
name

Julia Cleverdon, chief executive of Business in the Community, talks to Michael Cassell

Any executive who thinks that signing up for Business in the Community is just means cucumber sandwiches on the lawn at Highgrove House is in for a nasty shock, warns Julia Cleverdon.

The chief executive of BIC, the organisation formed 10 years ago to convince companies that broader community responsibilities go hand in hand with making an honest buck, knows that having the Prince of Wales for a president can attract the wrong sort of people.

"He is well aware that he is a bit like a fish hook, intended to catch businessmen. But once they find themselves marching behind him around a council estate, the glamour quickly wears off. We make them work hard."

So any companies preparing to enact an elaborate charade as public benefactor in the hope of effortlessly winning princely plaudits can, says Cleverdon, forget it.

The executives wading through muddy construction sites or visiting inmates at Pentonville prison are all participating in Seeing is Believing, the latest BIC programme intended to show industry leaders first-hand what they can do for their community.

A decade ago, when BIC was established after the inner-city riots in Toxteth and Brixton, the hands-on involvement of companies in regenerating the communities they served commercially was still seen primarily as a philanthropic gesture.

The BIC mission to help what the Prince has described as Britain's "bruised communities" is based on working partnerships with national and local government, voluntary organisations, schools and colleges.

According to Cleverdon: "The more enlightened companies would let the chairman's wife decide where to direct whatever limited funds were available. Now employees at every level are getting involved. Many companies see it as a sort of corporate glue to bind together their employees."

The woman whose middle name, literally, is Charity, dismisses any suggestion that BIC might be viewed by sceptics as little more than a bunch of well-meaning "do-gooders".

"The generation of executives who started the process of active community involvement are now coasting into gold-plated retirement. Their

successors are leading a revolution in attitudes which sees the issue in terms of a real business benefit."

BIC believes that, increasingly, employees expect their companies to demonstrate broader responsibilities: "Graduate entrants are concerned about corporate ethics and want to know what a business actually does for its community. Enough companies have got the message to convince me that we are on an unstoppable train."

The theory championed by the Prince of Wales, by Cleverdon and by the band of 400 top-ranking executives who help carry the banner, is that companies which care about their community will ultimately prosper in it. In Cleverdon's words: "Make profits on six days and reinvest some of them in your community on the seventh. If your customers think well of you, you will be rewarded."

Companies can give hard cash, equipment, staff or professional experience to help a range of initiatives targeted on local economic development, the environment and education.

Some contribute at least a half per cent of pre-tax profits or one per cent of dividends to community-based projects. But BIC's emphasis is as much on muscle-power as money.

"We expect performance from those who pledge help but it is not a matter of just throwing money around. It is cost-effective action we want," Cleverdon says.

Hotel groups have given blankets to hostels for the homeless, daretel community centres have been rebuilt, and schools and colleges receive equipment and advice from future employers.

The pressures of recession have recently caused a few departures by companies with more pressing priorities, such as Jaguar and Rosehaugh, the property group. But overall, participation has increased this year. "We expected more casualties but companies clearly believe our message remains relevant, whatever their short-term prospects," says Cleverdon.

Excited by the challenge of a good campaign and fascinated by what makes business tick, she is now battling to ensure that BIC is not cast as an exclusive club for the business top brass who started it.

"It is not just for blue-chip companies with millions at their behest. We have a small



'It is not a matter of throwing money around'

Lincolnshire builder, for example, who got a good name locally by agreeing to provide affordable housing for first-time buyers. As a direct result, he's won more work."

While BIC tries to encourage more small and medium-sized companies to join in, it is simultaneously trying to extend its influence in larger companies by getting more middle-managers involved.

"You can get all sorts of things done at the bottom and

PERSONAL PROFILE

1950 Born London. Educated Camden School for Girls, Newnham College, Cambridge.

1972 British Leyland, Industrial relations dept.

1973 The Industrial Society. Responsible for communications and publicity.

1988 Business in the Community. Recruited to develop education programme. Became managing director.

1992 BIC chief executive.

at the top. The challenge is galvanising the marsh-mallow layer of middle management; if you fail to achieve change in the middle, everything else is a lot of froth."

Born 42 years ago into the arty, London home of a BBC Radio third programme producer "Dad encouraging Dylan Thomas to write Under Milk Wood, that sort of thing."

Cleverdon's view on the key to effective management was formed early. As a Cambridge history graduate who envisaged a career in compassion, she ended up at British Leyland's Swindon assembly plant in the industrial relations department.

"There were 25,000 people on one site, 42 trade unions and

absolutely no communication between men and management," she recalls. "I sympathised with the shop stewards."

She suggested to one lugubrious boss that some of the men could be taken to the London motor show to see the company's new models. She was told to stop trying to change things.

Cleverdon changed her job instead, moving to the Industrial Society in 1973 with the encouragement of John Garrett, its director and her future husband. The marriage made her stepmother to Virginia Bottomley, the health secretary.

She arrived at BIC in 1988 to mastermind the organisation's efforts to improve links between industry and education. Two years later she became responsible for a clutch of campaigns designed to give BIC fresh direction and momentum. Last year, Cleverdon became chief executive.

The organisation she now runs will be increasingly happy to take a back seat and let companies do most of the running. "It is not our profile which will need raising but that of the companies who do the work and who can encourage others to follow," Cleverdon says.

"The real answer to success now lies in the amount of muscle which companies employ in improving the level of business involvement in their communities. The work does not necessarily have to be done by us. We may be the catalyst but we want people, talent and resources increasingly injected directly into the community," she says.

Despite BIC's success in spreading the gospel, Cleverdon says that British business still has some way to go to emulate the enthusiasm and level of community involvement by US companies.

"American business thinks it is fun to be involved and the spirit is infectious. Here, secondaries from companies working

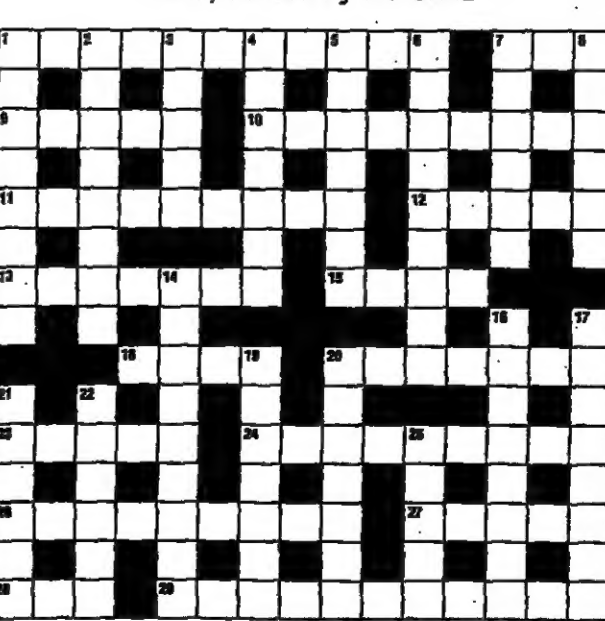
Heavens above, is the City a zoo?
Bulls, bears and stags, and now Pelicans too!

© Pelikan

JOTTER PAD

CROSSWORD

No.7,998 Set by DANTE



- ACROSS
- 1 An unconscious pedestrian (11)
 - 7 Leaves for some refreshment (3)
 - 9 Give in return (5)
 - 10 Tribe seek to return following many a brave leader (9)
 - 11 There's less noise from female cats (9)
 - 12 Exercise sequence (5)
 - 13 Paid as agreed (7)
 - 15 Duck seen on English river (4)
 - 16 A duck egg blue (4)
 - 20 House with a bed and a broken gate (7)
 - 23 Finished with a cereal food (5)
 - 24 Edward's owner (9)
 - 26 Ocean silt may be stranded here (9)
 - 27 Those who have this shouldn't feel hungry (5)
 - 28 Female sheep quarters (3)
 - 29 Orders translation of rousing tale (11)
- DOWN
- 1 Telescope for secret agent on a schooner, perhaps (8)
 - 2 This canine is a biter on sight (3,5)
 - 3 The chaplain's walk-about (5)
 - 4 The defendant made charges (7)
 - 5 Continues to look after one's offspring (5,2)
 - 6 A sign of free accommodation (4,2,3)
 - 7 Saw the head, for examination purposes (6)
 - 8 First two letters posted away (3)
 - 14 Gout house (9)
 - 16 Used to speak highly of latest fashion (8)
 - 17 The engineer officer's responsibility taken by the navigator (8)
 - 18 Seeking to taste defeat (7)
 - 20 Set firm at an unusual angle (7)
 - 21 Brave father put up with pain (5)
 - 22 Housing development willingly left without a top (5)
 - 25 Return the ones chosen (5)

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday November 21.

Fresh focus at the
White House

MICHAEL PROWSE
on
AMERICA

The first report a US president gets each morning is prepared by the Central Intelligence Agency and tells him about potential trouble spots overseas. This tradition is part of a web of institutional arrangements that focus a president's attention on foreign policy and defence rather than the economy or domestic issues. Mr Bill Clinton says his presidency will be different. He intends to "focus like a laser beam on the economy" and has told his transition team to concentrate initially on economic appointments, such as secretary of the Treasury, rather than secretary of state.

Politicians of President George Bush's generation were young adults during the 1950s when the US enjoyed an overwhelming economic advantage. Confronted by a hostile Soviet Union, they naturally took the economy for granted and focused on diplomatic and military challenges.

The world looks different to a baby-boomer such as Mr Clinton. In the two decades since he left Yale, the US has lurched from one economic crisis to another: productivity growth has slumped, imports have soared and the living standards of many families have stagnated. After the cold war it makes sense for him to focus on economic renewal.

Without faster growth, he can neither make good his social promises nor, ultimately, preserve the US's status as the world's sole superpower.

Yet Mr Clinton's hopes of focusing on economic and social challenges could be dashed once he reaches the Oval Office. Even if he is spared a foreign policy crisis in the first months of his presidency, there are enough simmering kettles - from the Middle East to the Balkans and the former Soviet republics - to occupy him 24 hours a day.

To keep economics to the fore, Mr Clinton's advisers are planning to create an economic security council headed by a economic security adviser, that would play an economic role somewhat analogous to that of

the National Security Council and national security adviser.

The hope is that a high-powered economic council would devise a strategy for US economic renewal in the post-cold war world rather than the NSC developed the "containment of communism" defence strategy in the late 1940s. Just as General Brent Scowcroft, the current national security adviser, hovers at Mr Bush's elbow, so an economic security adviser would stick like glue to President Clinton, ensuring that he always took the economic effects of decisions into account.

To replace experts on arms control by experts on trade and financial markets has a certain appeal given that the main threat to American hegemony is now economic weakness. The objection to a new advisory body, however, is that there are already too many centres of economic power, including the Treasury secretary, the budget director and the chairman of the Council of Economic Advisers. Conceivably one of these could play the hands-on advisory role of an economic Scowcroft; alternatively, the president could redefine the role of existing agencies such as the NSC and insist that candidates for top foreign policy posts have economic expertise.

If Senator Bill Bradley of New Jersey, say, were to become Secretary of State and an economist were appointed in place of Gen Scowcroft, the Clinton administration might not need a new advisory body. On the other hand, the difficulty of co-ordinating advice from different economic

agencies - which frequently disagree on policy matters - would remain. All the relevant cabinet officers, including the trade representative, the commerce and labour secretaries and perhaps a new industrial policy czar could have seats on an economic security council and thus help formulate long-term strategies.

Some analogies between foreign and economic policy, however, are false. A president can order swift action to counter a military threat; he cannot exert the same rapid leverage over the economy. (The only individual with real executive power over the economy is the Federal Reserve chairman; he must consult fellow governors and regional Fed presidents before acting.)

On economics, the challenge Mr Clinton faces is less in restructuring White House institutions than in changing attitudes - in convincing both the public and Congress that "quick fixes" do not work. After labouring for a decade to promote growth in Arkansas, Mr Clinton must know that a quick fiscal stimulus next year will not solve US problems. As president, his main long-run challenges are to raise the secular national savings and investment rate, reform the healthcare system and improve the quality of education and training.

Raising the savings and investment rate will require more than an investment tax credit. Much tougher budgetary controls, perhaps including the explicit means-testing of popular entitlement programmes, such as pensions, as well as controversial tax reforms to deter consumption will be essential. If Mr Clinton is to fulfil pledges on infrastructure, education and healthcare, he may even need a new source of revenue such as a national value added tax. This economic campaign will be at least as tough as the fight against communism; it will require consummate negotiating skill, congressional co-operation and sustained effort over years, if not decades.

Maastricht minimalism

When the British government first announced that there would be a "paving debate" on the Maastricht treaty, we were told that this was an essential way of regaining momentum, and rebuilding government authority. A case, you might say, of *reculer pour mieux sauter*.

Now that the debate has taken place, all those original doubts have been reinforced. Once more the target date for final ratification has been postponed; by now it is clear that all target dates are largely fictitious: once more the government is using the Dantes as an excuse for running away from the treaty. A case, you might say, of *reculer pour mieux sauter*.

Retreat need not in itself mean defeat; for there is a large potential majority in the House of Commons in favour of Maastricht. Yet after the latest cave-in to the anti-European rebels, can John Major really be expected to get to the end of the ratification process without sounding more convinced of the intrinsic merits of the treaty?

Mr Major has repeatedly said that he wants Britain to be "at the heart of Europe". But as time passes, it seems clear that his only real reason for wanting to be inside the Community, is that he does not want to be outside. His public utterances do not suggest any single positive reason for wanting the treaty to come into force.

Some will discount the government's apologetic defence of Maastricht as a cynical device



IAN DAVIDSON
on
EUROPE

to avoid provoking the Eurosceptics. The sad fact is that the British government did not want this treaty when it was first mooted four years ago, and it does not want it now.

The consistency of the government's Maastricht minimalism is confirmed in a recent article by Philippe de Schoutheete, Belgian ambassador to the Community and one of the central negotiators of the treaty. Different member states, he points out, had different objectives: France and Germany were keen on foreign policy, Denmark on the environment, Italy and Belgium on majority voting, and so on.

"But a very important fact must not be overlooked: one major player was keen on nothing! Britain had gone along reluctantly with the preliminary studies on economic and monetary union, and its reluctance had increased with time."

The outcome of the negotiation cannot be understood if one forgets that one of the main partners did not, in fact, desire any specific result either on the economic and monetary side or on the

political.

No doubt Mr Major is not as hostile to the treaty as Mrs Margaret Thatcher would have been. But there is no trace in his public discourse since becoming prime minister of any positive endorsement of any aspect of the treaty.

The first problem with this minimalist stance is that it leads inevitably to crude misrepresentation. The government periodically claims that the Maastricht treaty will make the Community less federal or less supra-national than it would otherwise be. Yet everyone knows that the new objectives laid down by the treaty include a single currency, stronger collective discipline on economic and monetary policies, closer co-operation on immigration and law and order, and the development of a common foreign and security policy, leading perhaps in time to a common defence policy. It is surely odd to deny what anyone can easily find in the treaty. Success in politics may not depend on telling the truth; but there are just three difficulties.

First, the Danish demands add up cumulatively to a comprehensive rejection of all the main objectives of the treaty. Second, this Danish rejection is virtually identical in spirit to Mr Major's minimalism. Third, if France and Germany and Italy and the Benelux believe that the treaty is being voided of all operational significance, it is a racing certainty that they will move ahead to form a two-tier Europe, leaving Britain and Denmark where they really would be more comfortable - in a minimal world outside.

Britain's dilemma is that it must be "at the heart of Europe", because it has nowhere else to go; but the dilemma of the British is that they do not like the Community which has been formed by others; they do not sympathise with its objectives; and apparently they still do not understand that they cannot change these objectives.

SATQUOTE
REAL-TIME NEWS VIA SATELLITE
★ AFF-TEXT ★ PR. NEWS ★ MARKET NEWS ★
★ FUTURES WORLD NEWS ★
CALL - LONDON 071-329 3377 / FRANKFURT 69 638 021

TAX-FREE SPECULATION
IN FUTURES
To obtain your free Guide to how your Financial Broker can help you, call Michael Murray on 071-329 7723 or write to us: IG Index Plc, 9-11 Gower Street, London WC1E 6PU.

Currency Fax - FREE 2 week trial
from Chart Analysis Ltd
7 Euston Square, London NW1 2BD, UK
exchange rate specialists for over 15 years
Ask Anne Whitby
Tel: 071-234 7174
Fax: 071-439 4966
a FORTIS Member